

Contents

Company Information

Financial Highlights	1
Chairman's Report	2
Directors' Report	6
Statement of Corporate Governance Practices	12
Statement of Financial Position	16
Statement of Financial Performance	18
Statement of Cash Flows	19
Segment Information	22
Notes to the Financial Statements	29
Directors' Declaration	89
Independent Audit Report	90
Shareholder Information	92
Directory of Harvey Norman Shopping Complexes	93

THE ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of Harvey Norman Holdings Limited will be held at Tattersalls, 181 Elizabeth Street, Sydney on Tuesday 25 November 2003 at 11.00 am.

(for full details and Proxy Form see separate document enclosed)

NAME OF ENTITY

HARVEY NORMAN HOLDINGS LIMITED

REGISTERED OFFICE

A1 Richmond Road
Homebush West NSW 2140
Telephone: (02) 9201 6111
Facsimile: (02) 9201 6250

ABN OR EQUIVALENT COMPANY

REFERENCE

54 003 237 545

SHARE REGISTRY

Registries Limited
Level 2, 28 Margaret Street
SYDNEY

BANKERS

Australia & New Zealand Banking Group Ltd

AUDITORS

Ernst & Young

SOLICITORS

Gillis Delaney Brown

STOCK EXCHANGE LISTING

Harvey Norman Holdings Limited shares are quoted on:

- the Australian Stock Exchange ("ASX"); and
- the New Zealand Stock Exchange

Financial Highlights

Consolidated profit from ordinary activities before income tax expense and outside equity interests for the 12 months to 30 June 2003 was \$233.29 million, an increase of 23.2% on the previous year. Net profit attributable to members of the parent entity was \$151.05 million, an increase of 17.8% on the previous year.

The directors have recommended payment of a final dividend of 2.5c, fully franked on each share, to be paid on 5 December 2003.

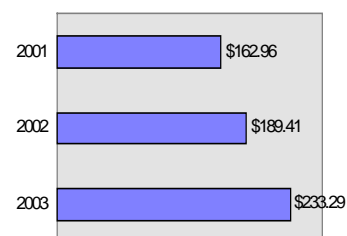
Basic earnings per share increased from 12.33 cents to 14.31 cents in respect of each share.

Return on shareholders' funds was 15.6%

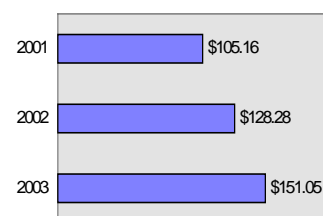
CONSOLIDATED				
		2003 \$000	2002 \$000	% Change
Revenues from ordinary activities	*	1,419,616	1,160,203	22.4%
Profit from ordinary activities before income tax expense and borrowing costs	*	261,404	213,334	22.5%
Borrowing costs	*	28,115	23,924	17.5%
Income tax expense relating to ordinary activities	*	71,613	60,351	18.7%
Net profit for the period attributable to members		151,049	128,277	17.8%
Basic earnings per share on issue at 30 June (cents)		14.31	12.33	16.1%
Dividends per share (cents)		5.0	4.5	11.1%
Net tangible assets per share at 30 June (\$)		0.90	0.74	21.6%

*Including outside equity interests.

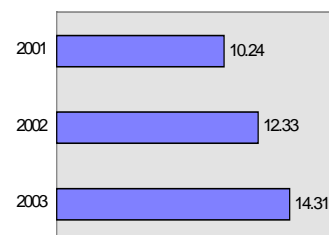
Profit Before Tax & Outside Equity Interests (\$ million)



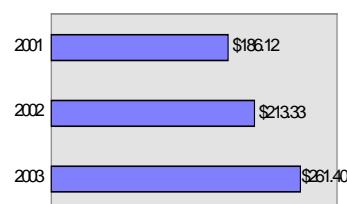
Profit After Tax and Outside Equity Interests (\$ million)



Earnings Per Share (cents)



Earnings Before Interest & Tax (EBIT) \$ million



Chairman's Report

Business Performance and Outlook

I am delighted to announce another record year for the Harvey Norman group. The group consolidated operating profit before tax was \$233.29 million, for the twelve months ended 30 June 2003 compared to \$189.41 million for the prior year, **AN INCREASE of 23.16%**.

The operating profit after tax attributable to members of the company was \$151.05 million compared to \$128.28 million for the prior year, an increase of **17.8%** on the previous twelve month period. Basic earnings per share increased from 12.33¢ to 14.31¢.

Sales in all categories of products sold by Harvey Norman franchisees or sold through Harvey Norman owned outlets outside Australia (excluding Pertama Holdings Limited in Singapore), have increased by 14.4% during the year when compared to the prior year. Like for like sales for the year ended 30 June 2003, when compared to the year ended 30 June 2002 have increased by 9.3%.

Since the end of the financial year sales for the months of July and August 2003 from the franchised "Harvey Norman" complexes, Harvey Norman stores in New Zealand, Slovenia and other trading operations (excluding operations of Pertama Holdings Limited, Singapore, and Rebel Sport Limited) totalled \$590.4 million. When compared to sales for July and August 2002 the increase was **21%**. Like for like sales for the months of July and August 2003, when compared to the same period last year, have increased by **12.7%**.

During the twelve months to 30 June 2003, nine new stores or complexes have been opened in Australia, one small lighting store was closed, and the flagship Harvey Norman store in Slovenia was opened in Ljubljana. Six retail stores or complexes were opened in New Zealand. Since the end of the financial year, three stores have been opened in Australia, and I am proud to announce that the first Harvey Norman store opened in Dublin (Swords), Ireland on 19 August 2003, and the second Irish store opened at Dundalk on 2 September 2003. Initial trading results from the Irish stores have met expectations. I believe that the expansion into Ireland will be extremely positive for the company.

During the year Harvey Norman developed a new franchised retail concept known as "Mega Flooring Depot" (MFD). MFD franchisees will sell carpets, general floor coverings, rugs and timber flooring. The MFD roll-out will extend over a number of years, throughout Australia.

In recent years developments in technology have resulted in increased sales in product categories such as plasma television, DVD players, digital cameras, laptop computers and general home entertainment products. Although sales in all areas including furniture, bedding, electrical and computers have increased, the new technology will have a substantial impact on sales in years to come. The transition to digital video has been building rapidly, and consumers are now buying more than twice as many DVD players as VCR's. Consumers now choose digital technology to watch the latest movies in their home theatres. Consumers prefer digital video and still cameras for better picture quality, smaller size and editing capabilities.

The future has become very clear - digital technology is not only here, but the features and capabilities of new digital technologies are growing at a rapid pace. Bigger and brighter LCD and Plasma screens, better computer games, smarter phones, higher resolution digital cameras, at mass market prices will allow Harvey Norman to be at the forefront to satisfy consumer demands.

Harvey Norman was first in Australia to embrace the computer superstore concept, and continues to offer the most outstanding product range to the consumer. Developments in digital technology will enhance the growth prospects for Harvey Norman.

Chairman's Report (continued)

Sales

Consolidated Entity

Sales revenue for the consolidated entity, excluding sales revenue from Harvey Norman franchised stores, but including Harvey Norman stores in New Zealand and Slovenia, controlled entities such as Rebel in Australia, and Pertama Holdings Limited in Singapore, are up 26.9% to \$1.0 billion (2002: \$788.2 million) for the twelve months ending 30 June 2003. Main factors contributing to the increase were:

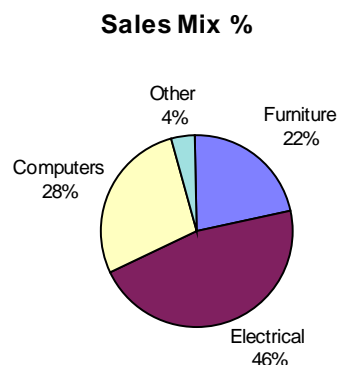
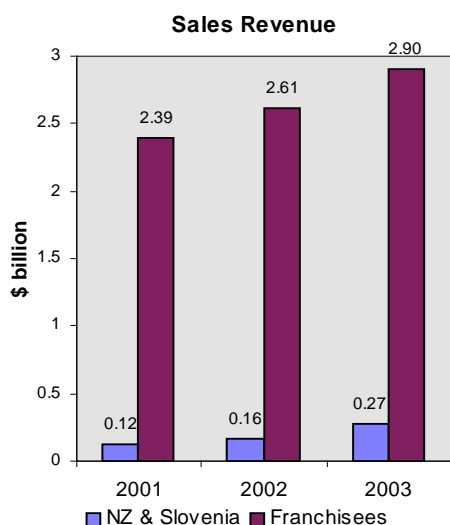
- sales revenue from New Zealand company owned stores was up \$95.6 million or 62.9%, including revenue from six new Harvey Norman stores opened during the year;
- sales revenue from Rebel Limited increased by \$48.2 million or 21.1%, including revenue from six new Rebel stores and one Glue store opened during the year;
- the first European Harvey Norman store located in Ljubljana, Slovenia which commenced trading during September 2002 contributed \$17.9 million to sales revenue;
- sales revenue from Pertama Holdings Limited, Singapore, trading as "Harvey Norman" increased \$19.4 million resulting from an increased acceptance of the Harvey Norman brand name, enhanced marketing initiatives, and varied product mix.

Sales from Harvey Norman Franchised Complexes

The sales revenue generated by franchised "Harvey Norman" complexes do not form part of the financial results of the consolidated entity. Retail sales in these complexes are made by separate independent business entities that are not consolidated in the group results.

The information below is not intended to be representative of the results of the consolidated entity and partly reflects the results of the franchisee businesses which are not included in the consolidated results.

	2001 \$billion	2002 \$billion	2003 \$billion
Sales made by Harvey Norman Stores in New Zealand and Slovenia	0.12	0.16	0.27
Sales made by Harvey Norman Franchisees, and other sales outlets	2.39	2.61	2.90
TOTAL	2.51	2.77	3.17



Chairman's Report (continued)

Sales Subsequent to the Year Ended 30 June 2003

Sales for the months of July and August 2003 by Harvey Norman franchisees from the franchised "Harvey Norman" complexes, Harvey Norman stores in New Zealand, Slovenia and Ireland (and excluding Pertama Holdings Limited, Singapore and Rebel Sport Limited) totalled \$590.4 million compared to \$487.8 million for the corresponding period last year. This represents an increase of 21.0% relative to the prior year. Like for like sales for the same period increased by 12.7%.

Net Profit Attributable to Members

Net profit attributable to members after tax and outside equity interests increased from \$128.28 million for the twelve months ended 30 June 2002, to \$151.05 million for the twelve months ended 30 June 2003, an increase of 17.8%. The main factors contributing to the increase were:

- gross profit margin from sales by company owned stores and controlled entities increased for the twelve months ended 30 June 2003 due to improved trading in the Harvey Norman New Zealand owned stores, Pertama Holdings Limited in Singapore and Rebel Sport Limited in Australia;
- as detailed in Note 2 (page 34), gross revenue received from the franchised "Harvey Norman" complexes (excluding rent and interest received) increased \$30.3 million or 13.3% to \$256.6 million, for the twelve months ended 30 June 2003 (2002: \$226.4 million) assisted by opening nine new Harvey Norman stores and complexes in Australia during the year and improved trading conditions experienced by Harvey Norman franchisees;
- expenses as a percentage of total sales have decreased for the twelve months ended 30 June 2003.

The increase in net profit attributable to members has resulted in a rise in earnings per share from 12.33 cents per share in 30 June 2002 to 14.31 cents per share as at 30 June 2003. This represents an increase of 16.1% on the prior year.

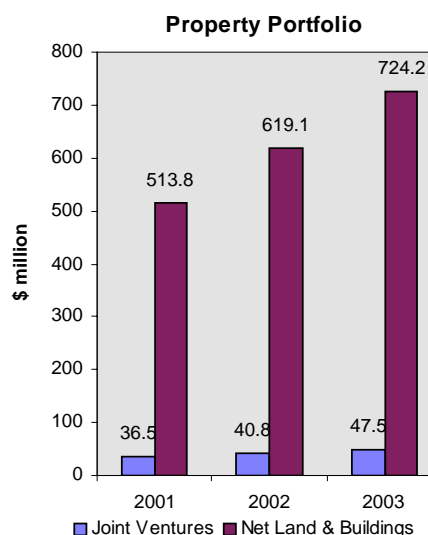
Property Portfolio

During the year, the Directors have analysed and revalued the Group Property Portfolio resulting in an increase of \$39.62 million in the asset revaluation reserve.

The Group Property Portfolio at 30 June 2003 including joint venture property interests (consolidated with property held by Pertama Holdings Limited, Singapore and Rebel Sport Limited) was valued at \$771.71 million compared to \$659.93 million at 30 June 2002.

The property portfolio excluding property held by Pertama Holdings Limited, Singapore and Rebel Sport Limited at 30 June 2003 was \$767.13 million compared to \$654.50 million for the prior year ended 30 June 2002.

As indicated in the Segment Information note (see page 28), the yield from property investments was 10.4% and the asset return was 4.6%. When accumulated revaluations to 30 June 2003 are excluded the yield was 14.0% and the asset return was 6.1%.



As at the date of this report, the adjacent table depicts the number of Harvey Norman complexes and Harvey Norman stores where land and buildings are either owned or leased by subsidiaries of Harvey Norman Holdings Limited in Australia, New Zealand, Slovenia and Ireland.

	OWNED	LEASED	TOTAL
AUSTRALIA	61	94	155
NEW ZEALAND	10	4	14
SLOVENIA	1	0	1
IRELAND	0	2	2
TOTAL	72	100	172

Chairman's Report (continued)

Equity

Total equity at 30 June 2003 (consolidated) was \$1.03 billion compared to \$875.89 million – an increase of \$158.14 million or 18.1%. Of the total equity of \$1.03 billion, an amount of \$67.89 million (2002: \$69.97 million) is attributable to outside equity interests.

Dividend

The recommended final dividend is 2.5c per share fully franked. No provision is made in the Statement of Financial Position for this recommended final dividend. The total dividend for the year will be 5.0c fully franked.

Expansion

During the 12 months to 30 June 2003, new complexes were opened as follows:

Location	Store
NSW	Caringbah (Domayne), Chatswood Express
VIC	Hoppers Crossing
QLD	Maroochydore (Mega Flooring Depot), City Gate (Harvey Norman/Domayne),
SA	Adelaide (Renovations)
WA	Armada, Peppermint Grove
ACT	Fyshwick (Domayne)
New Zealand	Hastings, Tory Street Wellington, Mt Maunganui, Hamilton, Whangarei, Invercargill
Slovenia	Ljubljana

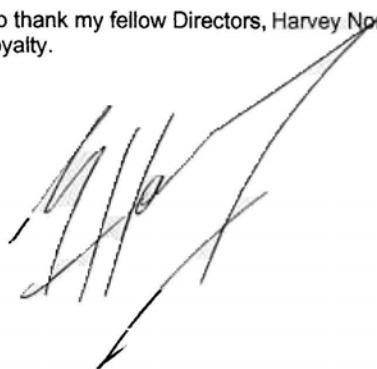
Since the end of this financial year new complexes have been opened at:

Location	Store
VIC	Melbourne (Renovations)
QLD	Burleigh Heads (Mega Flooring Depot), Mt Isa
Ireland	Dublin (Swords), Dundalk

The Company intends to continue to pursue a strategy of steady expansion both within Australia and overseas.

I would like to thank my fellow Directors, Harvey Norman employees, franchisees and their staff for their continuing efforts and loyalty.

G HARVEY
CHAIRMAN



Directors' Report

Your directors submit their report for the year ended 30 June 2003.

Directors

The names and details of the directors in office during or since the end of the financial year and until the date of this report are as follows:

Gerald Harvey – Executive Chairman

Mr. G. Harvey, aged 64, was the co-founder of Harvey Norman in 1982 with Mr. I. Norman. Mr. G. Harvey has overall executive responsibility for the strategic direction of the consolidated entity, and in particular, property investments.

Kay Lesley Page - Managing Director

Ms. Page, aged 46, joined Harvey Norman in 1983 and was appointed a director of Harvey Norman Holdings Limited in 1987.

Ms. Page became Managing Director of the company in February 1999 and has overall executive responsibility for the operations of the consolidated entity, and in particular, marketing.

Raymond John Skippen - Finance Director and Company Secretary

Mr. Skippen, aged 55, became a director of the company in September 1994. Mr. Skippen has over 30 years experience as a chartered accountant, and has overall executive responsibility for the financial, commercial and secretarial management of the consolidated entity.

Arthur Bayly Brew - Director

Mr. Brew, aged 53, joined the company in 1983. He is responsible for the security and shopfitting operations of the group. Mr. Brew was appointed a director in September 1994.

John Evyn Slack-Smith - Director

Mr. Slack-Smith, aged 34, was a Harvey Norman computer franchisee between 1993 and 1999. Mr. Slack-Smith became a director on 5 February 2001. Mr. Slack-Smith has overall executive responsibility for the relationship between the company, Harvey Norman computer franchisees and strategic relationships.

Stephen Patrick Hauville - Director

Mr. Hauville, aged 46, has extensive experience as a Harvey Norman franchisee and retailer, and became a director on 5 February 2001. Mr. Hauville has overall executive responsibility for the relationship between the company, Harvey Norman electrical franchisees and strategic relationships.

Michael John Harvey - Non-Executive Director

Mr. M. Harvey, aged 38, joined Harvey Norman in 1987, having completed a Bachelor of Commerce degree. Mr. M. Harvey gained extensive experience as a Harvey Norman franchisee from 1989 to 1994. Mr. M. Harvey became a director of the company in 1993 and was appointed Managing Director in July 1994. Mr. M. Harvey ceased to be an Executive Director on 30 June 1998. Mr. M. Harvey is a member of the Audit, Remuneration and Nomination Committees.

Christopher Herbert Brown - Non-Executive Director

Mr. Brown, aged 53, holds the degree of Master of Laws from the Sydney University. Mr. Brown is the senior partner in Gillis Delaney Brown, Lawyers. Gillis Delaney Brown has acted as lawyers for the Harvey Norman group since 1982. Mr. Brown was appointed a director in 1987, when the company became a listed public company. Mr. Brown is Chairman of the Audit, Remuneration and Nomination Committees.

Ian John Norman - Non-Executive Director

Mr. Norman, aged 64, was co-founder of Harvey Norman with Mr. Gerald Harvey in 1982. Mr. Norman is a member of the Remuneration Committee.

Kenneth William Gunderson-Briggs – Non-Executive Director

Mr. Gunderson-Briggs, aged 42, was appointed a director of Harvey Norman Holdings Limited on 30 June 2003. Mr. Gunderson-Briggs is a chartered accountant and a registered company auditor. He has been involved in public practice since 1982 and a partner in a chartered accounting firm since 1990. His qualifications include a Bachelor of Business and he is a fellow of the Institute of Chartered Accountants. Mr. Gunderson-Briggs is a member of the Audit, Remuneration and Nomination Committees.

Unless otherwise indicated, all directors held their position as a director throughout the entire financial year and up to the date of this report.

Directors' Report (continued)

Committee Membership

As at the date of this report, the company had an Audit Committee, a Remuneration Committee and a Nomination Committee.

Members acting on the committees of the board during the year were:

Audit Committee

- R.J. Skippen
- A.B. Brew
- J.E. Slack-Smith
- S.P. Hauville
- M.J. Harvey
- C.H. Brown (Chairman)

As at 1 July 2003, a new Audit Committee was formed. The members are:

- C.H. Brown (Chairman)
- M.J. Harvey
- K.W. Gunderson-Briggs

Remuneration Committee

- C.H. Brown
- M.J. Harvey
- I.J. Norman

As at 1 July 2003, K.W. Gunderson-Briggs joined the Remuneration Committee.

Nomination Committee

- C.H. Brown
- M.J. Harvey
- I.J. Norman

As at 1 July 2003, I.J. Norman retired from the Nomination Committee and K.W. Gunderson-Briggs joined the Nomination Committee.

Directors' Meetings

The number of meetings of the Board of directors and of its Board committee during the year were:

Board of Committee	Number of Meetings
Full Board	12
Audit	5

The attendances of directors at meetings of the Board and its committee were:

Director	Board of Directors	Audit Committee
G. Harvey	12 [12]	n/a
K.L. Page	12 [12]	n/a
R.J. Skippen	12 [12]	5 [5]
A.B. Brew	12 [12]	5 [5]
J.E. Slack-Smith	12 [12]	5 [5]
S.P. Hauville	11 [12]	5 [5]
M.J. Harvey	11 [12]	5 [5]
C.H. Brown	12 [12]	5 [5]
I.J. Norman	9 [12]	n/a

Where a director did not attend all meetings of the Board or its committee, the number of meetings for which the director was eligible to attend is shown in brackets.

In addition, the executive directors held regular meetings for the purpose of signing various documentation. A total of one hundred and twenty three (123) such meetings were held during the year. The details of the functions and memberships of the Audit Committee of the Board are presented in the Statement of Corporate Governance Practices.

Directors' Interests

At the date of this report, the relevant interest of each director in the shares, options or other instruments of the company and related bodies corporate is:

HARVEY NORMAN HOLDINGS LIMITED		
Director	Ordinary Shares	Options
G. Harvey	311,186,199	3,000,000
I.J. Norman	175,249,660	-
K.L. Page	19,680,590	3,000,000
M.J. Harvey	3,445,553	-
R.J. Skippen	1,186,297	3,000,000
A.B. Brew	1,129,871	1,500,000
C.H. Brown	173,467	-
S.P. Hauville	421,241	2,000,000
J.E. Slack-Smith	-	2,000,000
K. W. Gunderson-Briggs	3,000	-

Directors' Report (continued)

Beneficial Interest

Included in the above shareholdings are the following:

- Mr. G. Harvey has a beneficial interest in 142,629,301 shares held by G Harvey Nominees Pty Limited.
- Mr. I.J. Norman has a beneficial interest in 175,249,660 shares held by Dimbulu Pty Limited.
- Ms. K.L. Page has a beneficial interest in 1,932,000 shares held by Page Option Trust in Pertama Holdings Limited and a beneficial interest in 300,000 shares held by K Page Pty Limited in Harvey Norman Holdings Limited.
- Mr. C.H. Brown has a beneficial interest in 173,467 shares held by PWSD Pty Limited and Starmoro Pty Limited.
- Mr. R.J. Skippen has a beneficial interest in 1,096,297 shares held by ANZ nominees.
- Mr. A.B. Brew has a beneficial interest in 627,408 shares held by ANZ nominees.
- Mr. S.P. Hauville has a beneficial interest in 202,446 shares held by Valmarl Pty Ltd and Hauville Superannuation Pty Ltd. He also has a beneficial interest in 975,000 Pertama Holdings Limited shares and 2,134 Rebel Sport Limited shares held by Valmarl Pty Ltd and Hauville Superannuation Pty Ltd.
- Mr. K.W. Gunderson-Briggs has a beneficial interest in 3,000 shares held by Nosrednug Superannuation Fund Pty Limited.

Share Options

Details of share options are set out in Note 26 of the financial statements and form part of this report.

Principal Activities

The principal activities of the consolidated entity continue to be that of:

- Franchisor
- Sale of homewares and electrical goods in New Zealand, Slovenia and Ireland
- Provision of consumer finance
- Property investment
- Lessor of premises to Harvey Norman franchisees and other third parties

The consolidated entity holds a controlling interest in Pertama Holdings Limited ("Pertama"). Shares in Pertama are listed on the Stock Exchange of Singapore. The principal activities of Pertama are retail, wholesale and export sales of homewares and electrical goods.

The consolidated entity holds a controlling interest in Rebel Sport Limited ("Rebel"). Shares in Rebel are listed on the Australian Stock Exchange. The principal activity of Rebel is the sale of sporting and leisure goods.

Results

The net profit attributable to members of the parent entity for the financial year ended 30 June 2003 after income tax expense was \$151.05 million. This represents an increase of 17.8% on the net profit after income tax expense attributable to members for the year ended 30 June 2002.

Dividends

The directors recommend a fully franked dividend of 2.5 cents per share be paid on 5 December 2003 (total dividend, fully franked - \$26,397,336). The following fully franked dividends of the parent entity have also been paid, declared or recommended since the end of the preceding financial year:

Dividend	Payment Date	\$
2002 final fully franked dividend recommended	2 December 2002	26,397,336
2003 interim fully franked dividend	5 May 2003	26,397,336

Review of Group Operations

The total equity of the consolidated entity for the year ended 30 June 2003 increased over the previous financial year due to the following:

- Increased revenue from franchisees (excluding rent and interest received)
- Increased rental from tenants
- Revaluation of the group property portfolio
- Increased profit from Harvey Norman New Zealand owned stores
- Increased profit from Pertama Holdings Limited in Singapore
- Increased profit from Rebel Sport Limited

Net profit attributable to members of the parent entity for the year ending 30 June 2003 increased by 17.8% over the previous year, due to increased revenue from franchise fees, improved trading conditions experienced by franchisees, increased profit from Harvey Norman New Zealand owned stores, increased profit from Pertama Holdings Limited in Singapore and increased profit from Rebel Sport Limited.

Directors' Report (continued)

Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

Significant Events After Balance Date

There have been no material events subsequent to balance date, apart from:

- (1) the grant of certain options by Pertama Holdings Limited, Singapore to Martin Dunkerley (see Note 26 of the financial statements),
- (2) the opening of two Harvey Norman stores in the Republic of Ireland.

Likely Developments and Future Results

The directors have excluded from this report any further information on the likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years, as the directors believe that it would be likely to result in unreasonable prejudice to one or more entities in the consolidated entity.

Environmental Regulation Performance

The consolidated entity's environmental obligations are regulated under both State and Federal Law. All environmental performance obligations are monitored by the Board. The consolidated entity has a policy of at least complying, but in most cases exceeding its environmental performance obligations. No environmental breaches have been notified to the consolidated entity by any Government agency during the year ended 30 June 2003.

Emoluments of Board Members and Senior Executives

Remuneration Policy

The Remuneration Committee of the Board of Directors is responsible for reviewing compensation arrangements for the directors, the Managing Director and the executive team and making recommendations to the Board of Directors about such matters. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration received by such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration is generally determined by the Board of Directors on a total cost of employment basis and packages generally comprise salary, superannuation and a fully maintained motor vehicle where appropriate. The present policy of the Board is that options to acquire shares in the company will not be granted to employees or executive directors without specific shareholder approval. The Board has determined that bonuses may be awarded to employees, but only as a consequence of exceptional performance.

Directors' Report (continued)

Emoluments of Board Members and Senior Executives (continued)

The details of the nature and amount of each element of the emoluments of each director and each of the five executive officers of the company receiving the highest emolument are set out below:

Emoluments of Directors of Harvey Norman Holdings Limited (Parent Entity):

	ANNUAL EMOLUMENTS			LONG TERM EMOLUMENTS		TOTAL \$
	BASE SALARY \$	OTHER \$	SUPER CONTRIBUTIONS \$	OPTIONS GRANTED (number)	AMORTISATION AMOUNT \$	
G. Harvey	244,450	10,400	5,950	-(a)	-(a)	260,800
K.L. Page	232,840	29,557	5,000	-(a)	-(a)	267,397
R.J. Skippen	489,481	-	10,519	-(a)	-(a)	500,000
A.B. Brew	196,834	66,174	8,803	-(a)	-(a)	271,811
J.E. Slack-Smith	474,481	15,000	10,519	2,000,000(b)	971,161(c)	1,471,161
S.P. Hauville	442,975	15,000	42,025	2,000,000(b)	971,161(c)	1,471,161
M.J. Harvey	18,349	-	1,651	-	-	20,000
C.H. Brown	48,349	-	4,351	-	-	52,700
I.J. Norman	18,349	-	1,651	-	-	20,000
K.W. Gunderson-Briggs	-	-	-	-	-	-

The listed parent entity, Harvey Norman Holdings Limited, does not have any employees. No options were issued by Harvey Norman Holdings Limited during the current financial year.

- Options granted to these directors (set out under "Directors' Interests" on page 7) were exercisable from 1 July 2002. No amortisation amount has been included in the calculation of the long-term emoluments amortisation amount for the year ending 30 June 2003 for these directors.
- The number of options disclosed in the above table represents those options that have been issued to the directors of Harvey Norman Holdings Limited that have not vested as at 30 June 2003.
- Options have been valued at grant date, using the Black-Scholes option pricing model which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The value of the options has been apportioned over the vesting period. The amortisation amount disclosed in the above table represents the current year amortisation amount for the year ending 30 June 2003, calculated as the number of days in that financial year over the total number of days in that option vesting period multiplied by the number of options granted at the Black-Scholes value of \$1.2665. The exercise price in respect of each option is \$4.10.

Details of the terms, conditions and value of options granted during the period are also set out in Notes 26 and 32 of the financial statements.

Emoluments of the five most highly paid executive officers of the company and consolidated entity:

	ANNUAL EMOLUMENTS			TERMINATION BENEFITS \$	LONG TERM EMOLUMENTS		TOTAL \$
	BASE SALARY \$	OTHER \$	SUPER CONTRIBUTIONS \$		OPTIONS GRANTED (number)	AMORTISATION AMOUNT \$	
S.M. Heath	280,000	10,000	10,000	-	3,400,000(a)	678,710(b)	978,710
Pek Kem Hua @ Pek Kem Cheng Pe Kim Beng @ Pek Kim Bing	534,717	56,201	-	-	-	-	590,918
B. C.Y. Hui	639,179	-	-	-	-	-	639,179
I. Dresner	121,143	60,448	10,820	229,534	85,000(a)	6,574(b)	428,519
	145,833	-	82,000	88,546	-	-	316,379

Executives are those directly accountable and responsible for the operational management and strategic direction of the company and consolidated entity. The terms "director" and "officer" have been treated as mutually exclusive for the purposes of this disclosure.

- The number of options disclosed in the above table represents those options that have been issued to the executive officers that have not vested as at 30 June 2003. These executive officers were executive officers of Rebel Sport Limited and these options represent options to subscribe for ordinary shares of Rebel Sport Limited.
- Options have been valued at grant date, using the Black-Scholes option pricing model which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The value of the options has been apportioned over the vesting period. The amortisation amount disclosed in the above table represents the current year amortisation amount for the year ended 30 June 2003, calculated as the number of days in that financial year over the total number of days in that option vesting period multiplied by the number of options granted at the Black-Scholes value of \$0.86 for S.M. Heath and \$0.23 for B.C.Y. Hui.

Directors' Report (continued)

Indemnification of Officers

During the financial year, insurance and indemnity arrangements were continued for officers of the consolidated entity.

An indemnity agreement was entered into between Harvey Norman Holdings Limited and each of the directors of the company named earlier in this report and with each full-time executive officer, director and secretary of all group entities. Under the agreement, the company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. This indemnity is limited to \$10,000,000.

Harvey Norman Holdings Limited paid an insurance premium of \$69,300 in respect of a contract insuring each of the directors of the company named earlier in this report and each full-time executive officer, director and secretary of the Australian group entities, against all liabilities and expenses arising as result of work performed in their respective capacities, to the extent permitted by law.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Harvey Norman Holdings Limited support and have adhered to the principles of corporate governance. The company's Statement of Corporate Governance Practices follows the Directors' Report.

Tax Consolidation

Effective 1 July 2002, for the purposes of income taxation, Harvey Norman Holdings Limited and its 100% owned subsidiaries have formed a tax consolidated group. Members of the group are in the process of entering into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Rounding of Amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Commission class order 98/0100. In accordance with the class order, amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.


This report has been made in accordance with a resolution of directors.



G. HARVEY
Chairman



R.J. SKIPPEN
Director



K.L. PAGE
Director

Sydney
26 September 2003

Statement of Corporate Governance Practices

Functions and Responsibilities of the Board and Management

Role of the Board of Directors

The directors of the Company are accountable to shareholders for the proper management of business and affairs of the Company. The Managing Director is a member of the Board but does not hold the position of Chairman.

The key responsibilities of the Board are to:

- establish, monitor and modify the corporate strategies of the Company;
- ensure proper corporate governance;
- monitor the performance of management of the Company;
- ensure that appropriate risk management systems, internal control and reporting systems and compliance frameworks are in place and are operating effectively;
- monitor financial results;
- approve decisions concerning the capital, including capital restructures, and dividend policy of the Company; and
- comply with the reporting and other requirements of the law.

The Board delegates responsibility for day-to-day management of the Company to the Managing Director. However, the Managing Director must consult the Board on matters that are sensitive, extraordinary or of a strategic nature.

The Board has adopted a formal Board Charter.

Composition of the Board

The constitution of the Company provides that the number of directors must be not less than three and not more than ten. There are presently ten directors. There are six executive directors, and four non-executive directors. One of the non-executive directors is an independent director. A majority of the Board are not independent directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues, notwithstanding that the Chairperson is not an independent director and a majority of the Board are not independent directors.

Chairperson of the Board

The Chairperson is an executive director, and not an independent director. The roles of Chairperson and Managing Director are not exercised by the same individual. The Board believes that the Chairperson is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairperson.

Management of the Business of the Company

The business of the Company is conducted by or under the supervision of the Managing Director, and by employees to whom management functions have been delegated by the Managing Director. The Board has delegated responsibility for day-to-day management of the Company to the Managing Director. The Managing Director must consult the Board on matters that are sensitive, extraordinary or of a strategic nature.

Nomination Committee

The Board has established a nomination committee, consisting of three non-executive directors.

Code of Conduct

The Company has established a code of conduct to guide the directors, the Managing Director, the Finance Director and other key executives as to:

- (i) the practices necessary to maintain confidence in the Company's integrity; and
- (ii) the responsibility and accountability for individuals for reporting and investigating reports of unethical practices.

Statement of Corporate Governance Practices (continued)

Code of Conduct (continued)

The Company has introduced a share trading policy. Directors and senior management (and their associates) are prohibited from engaging in short-term trading of Company securities. The policy also restricts the buying or selling of Company securities to three "window" periods (between 24 hours and 30 working days following the release of the annual results, the release of the half-yearly results and the close of the annual general meeting) and such other times as the Board permits. In addition, directors and senior management must notify the Company chairperson before they or their close relatives buy or sell Company securities.

Safeguard Integrity in Financial Reporting

The Company has put in place a structure of review and authorisation designed to ensure the truthful and factual presentation of the financial position of the Company. The structure includes:

- (i) review and consideration of the accounts by the audit committee; and
- (ii) a process to ensure the independence and competence of the external auditors of the Company.

The Board requires the Managing Director and the Finance Director to state in writing to the Board that the financial reports of the Company present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards.

Audit Committee

The Board has established an audit committee.

The audit committee is structured so that the Committee consists of:

- (a) only non-executive directors;
- (b) prior to 1 July 2005, at least one member of the Committee must be an independent director;
- (c) after 30 June 2005, the majority of the members of the Committee must be independent directors; and
- (d) not less than three members.

The chairman of the audit committee must not be the chairman of the Board of Directors.

At least one member of the audit committee must have financial expertise (i.e. is a qualified accountant or other financial professional with experience of financial and accounting matters), and some members who have an understanding of the industry in which the Company operates.

The audit committee shall meet at least four times each year. The purpose of these meetings shall be to:

1. Review and approve internal audit and external audit plans.
2. Review and approve the half-year financial report.
3. Update the internal and external audit plans.
4. Review and approve the annual financial report.
5. The audit committee shall meet in private session at least annually to assess the effectiveness of management.

The audit committee shall provide assistance to the Board of Directors in fulfilling the corporate governance and oversight responsibilities of the Board to verify and safeguard the integrity of the financial reporting of the Company.

The audit committee shall maintain free and open communication between the audit committee, external auditors, the internal auditors, and management of the Company.

The audit committee is empowered to investigate any matter brought to the attention of the audit committee with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as the audit committee determines necessary to carry out the duties of the audit committee.

The audit committee has a formal charter.

Statement of Corporate Governance Practices (continued)

Timely and Balanced Disclosure

The Company has established written policies and procedures designed to ensure compliance with the ASX Listing Rule requirements such that:

- (i) all investors have equal and timely access to material information concerning the Company - including its financial situation, performance, ownership and governance; and
- (ii) Company announcements are factual and presented in a clear and balanced way.

Rights of Shareholders

The Company has designed and disclosed a communications strategy to promote effective communication with shareholders, subject to privacy laws and the need to act in the best interests of the Company by protecting confidential commercial information, and encourage effective participation at general meetings.

The Company requests the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the independent audit report.

Recognition and Management of Risk

The Board or appropriate Board committees have established policies on risk oversight and management. In order to carry out this function, the audit committee:

- (i) reviews the financial reporting process of the Company on behalf of the Board and reports the results of its activities to the Board;
- (ii) discusses with management, the internal auditors, and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the policies and procedures of the Company to assess, monitor and manage business risk, and any legal and ethical compliance programmes;
- (iii) reviews with the external auditor any audit problems or difficulties and the response of management;
- (iv) receives reports from the external auditor on the critical policies and practices of the Company;
- (v) makes recommendations to the Board on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditors;
- (vi) reviews and assesses the independence of the external auditor;
- (vii) reviews the mission, charter and resources of the internal auditor and discusses the scope of the internal audit with the internal auditor;
- (viii) reviews and discusses with the Board any ASX press releases, the half-year financial report, appendix 4E and other reports required to be lodged with the ASX, prior to the filing of these documents with the ASX;
- (ix) establishes procedures for the receipt, retention and treatment of complaints received by the Company (if any) regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding accounting or auditing matters.

The Managing Director and the Finance Director state to the Board in writing that:

- (i) the statement made by the Managing Director and Finance Director to confirm to the Board that the accounts are true and fair and comply with accounting standards, is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (ii) the Company's risk management and internal compliance is operating efficiently and effectively in all material respects.

The systems of internal financial controls have been determined by senior management of the Company, and are designed to provide reasonable, but not absolute protection against fraud, material misstatement or loss. These controls are intended to identify, in a timely manner, control issues that require attention of the Board or audit committee.

Statement of Corporate Governance Practices (continued)

Evaluation of Performance

The performance of committees, individual directors and key executives is evaluated regularly by the Board. The Board regularly evaluates the performance of the Board.

Remuneration

The Company attempts to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Company has established a remuneration committee, consisting of four non-executive directors, one of whom is an independent director. The function of the remuneration committee is to make recommendations to the Board on remuneration issues. The Company believes that the individuals on the remuneration committee can make, and do make, quality and independent judgments in the best interests of the Company on remuneration issues, notwithstanding that all the members of the remuneration committee are not independent.

The remuneration of non-executive directors is different from that of executives. Executive directors are remunerated by means of a salary, and in certain cases by equity based remuneration. All equity based remuneration is made in accordance with plans approved by shareholders. Non-executive directors are not entitled to any retiring allowance, payable upon their retirement as a director of the Company.

Legitimate Interests of Stakeholders

The Company has established a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders in the Company.

Statement of Financial Position

At 30 June 2003

		CONSOLIDATED		PARENT	
	NOTE	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Current Assets					
Cash assets	29	26,969	30,264	-	-
Receivables	6	652,735	568,193	-	-
Other financial assets	7	8,624	10,474	-	-
Inventories	8	188,536	154,926	-	-
Tax assets	9	65	1,436	-	-
Other	10	5,926	11,485	-	-
Total current assets		882,855	776,778	-	-
Non-Current Assets					
Receivables	11	11,951	9,700	614,457	545,590
Investments accounted for using equity method	39	47,520	42,387	-	-
Other financial assets	13	16,213	18,862	55,614	55,607
Inventories	12	18,627	-	-	-
Property, plant and equipment	14	928,588	800,564	-	-
Intangible assets	15	12,014	13,226	-	-
Deferred tax assets	16	7,952	6,985	2,526	2,798
Total non-current assets		1,042,865	891,724	672,597	603,995
Total Assets		1,925,720	1,668,502	672,597	603,995
Current Liabilities					
Payables	17	429,335	395,191	240	102
Interest-bearing liabilities	18	25,732	31,958	-	-
Tax liabilities	19	26,076	30,914	7,687	8,889
Provisions	20	8,060	33,058	-	26,397
Other	21	6,356	3,778	-	-
Total current liabilities		495,559	494,899	7,927	35,388
Non-Current Liabilities					
Payables	22	-	32	-	-
Interest-bearing liabilities	23	390,787	291,035	-	-
Provisions	24	1,344	1,358	-	-
Other	25	3,993	5,284	-	-
Total non-current liabilities		396,124	297,709	-	-
Total Liabilities		891,683	792,608	7,927	35,388
NET ASSETS		1,034,037	875,894	664,670	568,607
Equity					
Contributed equity	26	246,591	246,591	246,591	246,591
Reserves	27	171,689	136,117	-	-
Retained profits	28	547,871	423,219	418,079	322,016
Parent entity interest		966,151	805,927	664,670	568,607
Outside equity interest		67,886	69,967	-	-
TOTAL EQUITY		1,034,037	875,894	664,670	568,607

The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Financial Position

At 30 June 2003 (continued)

		MEMBERS OF THE PARENT		OUTSIDE EQUITY INTERESTS		CONSOLIDATED	
	NOTE	2003	2002	2003	2002	2003	2002
		\$000	\$000	\$000	\$000	\$000	\$000
Interest in the equity of the consolidated entity							
Contributed equity	26	246,591	246,591	53,644	56,400	300,235	302,991
Reserves	27	171,689	136,117	(1,542)	(1,358)	170,147	134,759
Retained profits	28	547,871	423,219	15,784	14,925	563,655	438,144
TOTAL INTEREST IN EQUITY		966,151	805,927	67,886	69,967	1,034,037	875,894

The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Financial Performance

Year Ended 30 June 2003

		CONSOLIDATED		PARENT	
	NOTE	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Sales revenue	2	1,000,245	788,156	-	-
Cost of sales		(741,114)	(592,826)	-	-
Gross profit		259,131	195,330	-	-
Other revenues	2	417,423	371,168	136,456	202,958
Distribution expenses		(8,903)	(9,805)	-	-
Marketing expenses		(38,283)	(31,535)	-	-
Occupancy expenses		(102,492)	(89,989)	-	-
Administrative expenses		(240,386)	(194,537)	-	-
Borrowing costs	3	(28,115)	(23,924)	-	-
Other expenses from ordinary activities		(27,034)	(28,177)	(461)	(439)
Share of net profit of associates, joint venture entities and partnerships accounted for using the equity method	39	1,948	879	-	-
Profit from ordinary activities before income tax expense		233,289	189,410	135,995	202,519
Income tax expense relating to ordinary activities	4	(71,613)	(60,351)	(13,535)	(12,244)
Net profit		161,676	129,059	122,460	190,275
Net profit attributable to outside equity interests		(10,627)	(782)	-	-
Net profit attributable to members of the parent entity	28	151,049	128,277	122,460	190,275
Increase in asset revaluation reserve		39,620	20,059	-	-
Net exchange difference on translation of financial statements of self-sustaining foreign operations	27	(4,048)	167	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		35,572	20,226	-	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity	28	186,621	148,503	122,460	190,275
Basic earnings per share (cents per share)	5	14.31	12.33	-	-
Diluted earnings per share (cents per share)	5	14.31	12.32	-	-

The accompanying notes form an integral part of this Statement of Financial Performance.

Statement of Cash Flows

Year Ended 30 June 2003

		CONSOLIDATED		PARENT	
	NOTE	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Cash flows from operating activities		Inflows/(Outflows)			
Net receipts from franchisees	A	316,035	318,341	-	-
Receipts from customers		990,306	788,924	-	-
Payments to suppliers and employees	B	(1,086,461)	(827,816)	(323)	(424)
Distributions received from joint ventures		2,106	2,178	-	-
GST paid		(17,939)	(16,618)	-	-
Interest received		4,690	3,770	-	-
Interest and other costs of finance paid		(25,801)	(21,864)	-	-
Income taxes paid		(76,047)	(62,789)	(14,189)	(12,598)
Dividends received		645	543	-	-
Trust distributions received		-	-	45,189	39,626
		107,534	184,669	30,677	26,604
Consumer finance related cash flows:					
Consumer finance loans granted by consolidated entity	C	(20,176)	(51,524)	-	-
Proceeds of sale of consumer finance loans to FAST No. 1 Trust	C	22,595	54,798	-	-
Accommodation fees paid	C	(2,314)	(2,060)	-	-
Trust distribution received	C	-	416	-	-
Repayments received from consumers on consumer finance loans granted by consolidated entity and not sold to FAST No. 1 Trust	C	745	2,649	-	-
		850	4,279	-	-
Net Cash Flows From/(Used in) Operating Activities	D 29	108,384	188,948	30,677	26,604

The accompanying notes form an integral part of this Statement of Cash Flows.

Statement of Cash Flows

Year Ended 30 June 2003 (continued)

	NOTE	CONSOLIDATED		PARENT	
		2003 \$000	2002 \$000	2003 \$000	2002 \$000
Cash flows from investing activities			Inflows/(Outflows)		
Payment for purchases of property, plant and equipment	E	(161,083)	(145,612)	-	-
Proceeds from sale of property, plant and equipment		2,606	2,374	-	-
Proceeds from/(payments for) sale/purchase of units in unit trusts	F	3,079	(6,218)	-	-
Payments for purchase of equity investments		(5,307)	(10,415)	-	-
Proceeds from sale of listed securities		41	7,610	-	-
Loans repaid/(granted)		546	(8,285)	22,117	(34,857)
Proceeds from repayments of short term investments	G	7,970	-	-	-
Purchase of controlled entity	H	-	(24,831)	-	-
Payment for purchase of non-current listed securities		-	(4,448)	-	-
Net Cash Flows From/(Used) in Investing Activities		(152,148)	(189,825)	22,117	(34,857)
Cash flows from financing activities					
Proceeds from share issue	I	-	49,734	-	49,734
Proceeds from borrowings	J	101,336	12,867	-	-
Dividends paid		(53,135)	(41,481)	(52,794)	(41,481)
Repayment of borrowings		(6,318)	(6,556)	-	-
Net Cash Flows From/(Used) Financing Activities		41,883	14,564	(52,794)	8,253
Net increase/(decrease) in cash held		(1,881)	13,687	-	-
Cash at Beginning of Period		22,994	9,307	-	-
Cash at End of Period	29	21,113	22,994	-	-

The accompanying notes form an integral part of this Statement of Cash Flows.

Statement of Cash Flows

Year Ended 30 June 2003 (continued)

Commentary to the Statement of Cash Flows:

- (A) The amount of net receipts from franchisees is calculated by deducting from the aggregate amount of receipts from franchisees (including loan repayments), the aggregate amount of advances made to franchisees by the consolidated entity during the year ended 30 June 2003. All advances made to each franchisee are secured. The amount of advances to franchisees has increased to provide financial accommodation to franchisees for the purpose of funding anticipated strong trading after balance date together with the cost of acquisition of inventory by franchisees at new Harvey Norman and Domayne stores opened during the year.
- (B) Payments to suppliers and employees have increased as a result of opening new non-franchised Harvey Norman stores in Slovenia, New Zealand and new Rebel stores in Australia.
- (C) Network Consumer Finance (NCF) does not provide "no deposit interest free finance" to consumers due to the perceived risk. This form of finance is provided by external financiers. This has resulted in a decrease in the level of consumer finance provided by NCF.
- (D) The above factors have resulted in a decrease in net cash flows from operating activities.
- (E) For the year ended 30 June 2003, payment for purchases of land and buildings totalled \$97.82 million and payment for purchases of plant and equipment totalled \$63.26 million.
- (F) This relates to the reduction of units held in Financial Assets Specialised Trust No. 1 ("FAST").
- (G) This relates to an amount of \$7.9 million being proceeds of redemption of a promissory note owned by Rebel Sport Limited.
- (H) This relates to the successful takeover of Rebel Sport Limited by Becto Pty Limited, a wholly owned subsidiary of Harvey Norman Holdings Limited.
- (I) Relates to the balance of funds received from the rights issue completed on 14 January 2002 when 37,717,029 new shares were allotted and issued. The total amount raised was \$103.75 million. An amount of approximately \$53.99 million had already been received by the consolidated entity from related parties. This amount was set off against the issue price payable on issue of shares to those related parties.
- (J) Proceeds from borrowings of \$101.3 million relates to the draw-down of commercial bill facilities which fluctuate on a monthly basis.

Segment Information

PRIMARY SEGMENT – Business Segments – 30 June 2003

Franchising and Corporate	Retail – New Zealand	Retail – Rebel Sport	Asia	Non-Franchised Retail	Property Investments	Property Under Construction for Investment	Property Development for Resale	Financial Services	Share Trading	Eliminations	Consolidated
2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000

Revenue

Sales to customers outside the consolidated entity	-	247,789	276,855	362,062	113,539	-	-	-	-	-	-	1,000,245
Other revenues from customers outside the consolidated entity	303,871	15,651	20,477	6,076	3,328	68,449	534	108	8,523	686	(10,280)	417,423
Intersegment revenues	-	-	-	-	5,565	-	-	-	-	-	(5,565)	-
Share of net profit/(loss) of equity accounted investments	-	-	-	-	-	1,733	(27)	242	-	-	-	1,948
Total Segment Revenue	303,871	263,440	297,332	368,138	122,432	70,182	507	350	8,523	686	(15,845)	1,419,616
Unallocated Revenue												-
Total Consolidated Revenue												1,419,616

Results

Segment Result	151,317	21,390	23,652	7,711	(3,280)	30,777	(1,669)	(265)	3,734	(78)	-	233,289
Unallocated expenses												-
Consolidated entity profit from ordinary activities before income tax expense												233,289
Income tax expense												(71,613)
Consolidated entity profit from ordinary activities after income tax expense												161,676
Extraordinary items												-
Net profit												161,676

Segment Information (continued)

Primary Segment (continued)

Franchising and Corporate	Retail – New Zealand	Retail – Rebel Sport	Asia	Non-Franchised Retail	Property Investments	Property Under Construction for Investment	Property Development for Resale	Financial Services	Share Trading	Eliminations	Consolidated
2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000

Assets

Segment Assets	1,977,674	82,922	122,686	108,845	89,903	713,668	69,955	31,919	79,735	7,390	(1,358,977)	1,925,720
Less: Eliminations	(1,292,442)	-	-	(897)	(5,240)	(39,733)	(4,025)	(73)	(16,567)	-	1,358,977	-
Assets After Eliminations	685,232	82,922	122,686	107,948	84,663	673,935	65,930	31,846	63,168	7,390	-	1,925,720

Liabilities

Segment Liabilities	1,296,898	65,989	55,557	48,004	95,664	523,434	77,727	38,449	47,049	1,889	(1,358,977)	891,683
Less: Eliminations	(1,292,442)	-	-	(897)	(5,240)	(39,733)	(4,025)	(73)	(16,567)	-	1,358,977	-
Liabilities After Eliminations	4,456	65,989	55,557	47,107	90,424	483,701	73,702	38,376	30,482	1,889	-	891,683

Unallocated Liabilities												-
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Total Liabilities												891,683
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Other Segment Information

Equity accounted investments included in segment assets	-	-	-	-	-	30,674	3,615	13,231	-	-	-	47,520
Depreciation	38,208	3,007	5,865	3,273	1,760	9,687	12	-	238	-	-	62,050
Amortisation	-	-	4,563	182	-	-	-	-	-	-	-	4,745
Non-cash expenses other than depreciation and amortisation	613	434	262	1,706	938	158	-	-	-	-	-	4,111
Acquisition of property, plant and equipment, intangible assets and other non-current assets	57,630	10,364	11,444	1,225	7,400	62,020	6,067	20,610	28,533	455	-	205,748

Segment Information (continued)

Primary Segment – 30 June 2002 Comparative

Franchising and Corporate	Retail – New Zealand	Retail – Rebel Sport	Asia	Non- Franchised Retail	Property Investments	Property Under Construction for Investment	Property Development for Resale	Financial Services	Share Trading	Eliminations	Consolidated
2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000

Revenue

Sales to customers outside the consolidated entity	-	152,129	228,633	342,188	65,206	-	-	-	-	-	-	788,156
Other revenues from customers outside the consolidated entity	271,938	12,420	13,118	7,392	1,111	54,784	340	-	7,168	8,154	(5,257)	371,168
Intersegment revenues	100	-	-	-	8,422	-	-	-	-	-	(8,522)	-
Share of net profit/(loss) of equity accounted investments	-	-	-	-	(492)	1,790	(322)	(97)	-	-	-	879
Total Segment Revenue	272,038	164,549	241,751	349,580	74,247	56,574	18	(97)	7,168	8,154	(13,779)	1,160,203
Unallocated Revenue												-
Total Consolidated Revenue												1,160,203

Results

Segment Result	134,280	12,834	11,145	1,167	(3,027)	28,368	(1,465)	(215)	2,097	4,226	-	189,410
Unallocated expenses												-
Consolidated entity profit from ordinary activities before income tax expense												189,410
Income tax expense												(60,351)
Consolidated entity profit from ordinary activities after income tax expense												129,059
Extraordinary items												-
Net profit												129,059

Segment Information (continued)

Primary Segment – 30 June 2002 Comparative (continued)

Franchising and Corporate	Retail – New Zealand	Retail – Rebel Sport	Asia	Non-Franchised Retail	Property Investments	Property Under Construction for Investment	Property Development for Resale	Financial Services	Share Trading	Eliminations	Consolidated
2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000

Assets

Segment Assets	3,385,974	47,480	110,796	100,645	53,904	582,747	93,622	11,375	216,523	8,982	(2,943,546)	1,668,502
Less: Eliminations	(2,734,847)	-	-	-	(1,851)	(21,798)	(6,012)	(7)	(179,031)	-	2,943,546	-
Assets After Eliminations	651,127	47,480	110,796	100,645	52,053	560,949	87,610	11,368	37,492	8,982	-	1,668,502

Liabilities

Segment Liabilities	2,788,244	32,536	58,838	36,812	56,081	477,532	83,931	15,186	185,219	1,775	(2,943,546)	792,608
Less: Eliminations	(2,734,847)	-	-	-	(1,851)	(21,798)	(6,012)	(7)	(179,031)	-	2,943,546	-
Liabilities After Eliminations	53,397	32,536	58,838	36,812	54,230	455,734	77,919	15,179	6,188	1,775	-	792,608

Total Liabilities

792,608

Other Segment Information

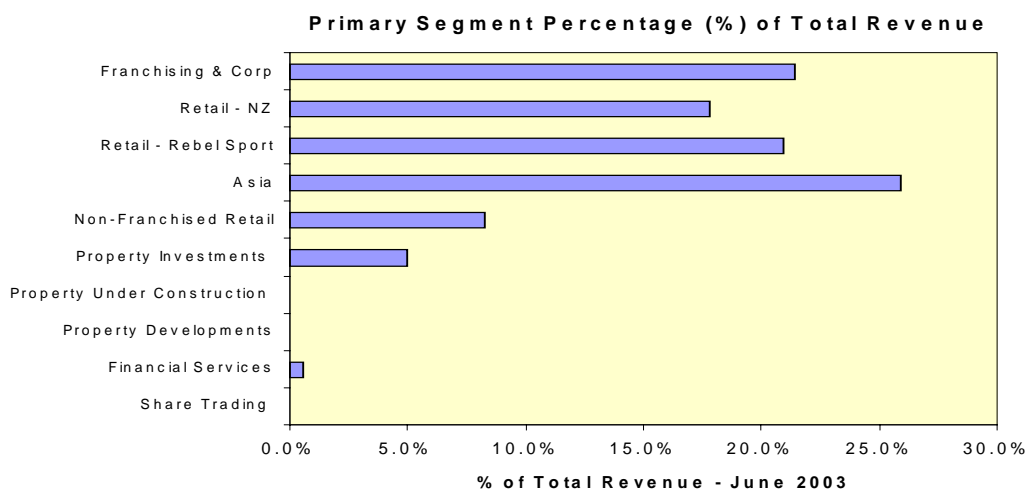
Equity accounted investments included in segment assets	-	-	-	-	1,538	26,612	6,237	8,000	-	-	-	42,387
Depreciation	34,432	1,838	4,013	3,990	859	7,100	61	-	81	-	-	52,374
Amortisation	-	-	4,859	-	199	-	-	-	-	-	-	5,058
Non-cash expenses other than depreciation and amortisation	795	-	767	-	2,652	1	-	-	698	-	-	4,913
Acquisition of property, plant and equipment, intangible assets and other non-current assets	43,212	3,458	17,544	1,344	5,130	90,738	14,198	1,815	52,551	6,478	-	236,468

Primary Segment Information (continued)

The consolidated entity operates predominantly in ten primary segments:

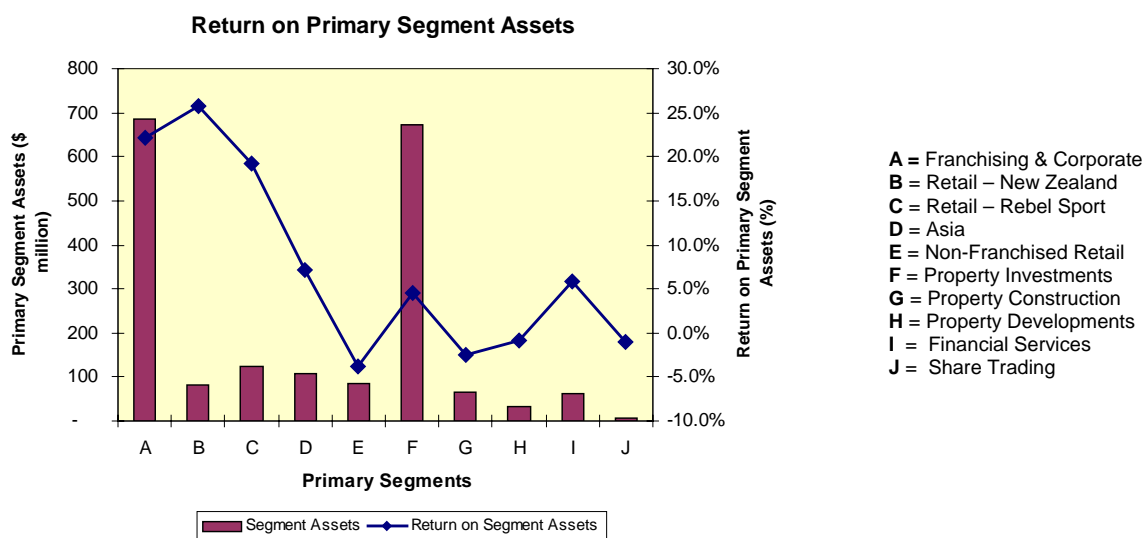
Primary Segment	Description of Primary Segment
Franchising and Corporate Items	Consists of the franchise fees paid by franchisees, and corporate items (other than retailing, property investments and financial services).
Retail (New Zealand)	Consists of the wholly owned operations of the consolidated entity in New Zealand.
Retail (Rebel Sport)	Consists of the controlling interest of the consolidated entity in the retail trading operations in Australia trading under the Rebel Sport brand name.
Asia	Consists of the controlling interest of the consolidated entity in the Singapore retail trading operations under the Harvey Norman and Space brand names.
Non-Franchised Retail	Consists of retail trading operations in Australia, Slovenia and Ireland which are controlled by the consolidated entity and does not include any operations of Harvey Norman franchisees.
Property Investments	Consists of land and buildings for each retail site that is fully operational or is ready and able to be tenanted. The revenue and results of this segment consists of rental income and outgoings recovered for each retail site that is owned by the consolidated entity which is fully operational (or ready for operations) as at year end.
Property Under Construction for Investment	Consists of sites that are currently undergoing construction at year end intended for leasing. It also includes vacant land that has been purchased for the purposes of generating future investment income.
Property Developments for Resale	Consists of land and buildings acquired by the consolidated entity, to be developed, or currently under development, for the sole purpose of resale at a profit. Such assets are treated as trading stock in the Statement of Financial Position.
Financial Services	This segment refers to credit facilities provided to third parties.
Share Trading	This segment refers to the trading of listed securities.

Primary Segment Analysis



PRIMARY SEGMENT PERCENTAGE (%) OF TOTAL RESULT (Profit Before Tax & Outside Equity Interests)										
Franchising & Corp	Retail – NZ	Retail – Rebel	Asia	Non-Franchised Retail	Property Investments	Property Under Construction	Property Developments	Financial Services	Share Trading	TOTAL
64.8%	9.2%	10.1%	3.3%	-1.4%	13.2%	-0.7%	-0.1%	1.6%	0.0%	100%

Primary Segment Information (continued)



Property Primary Segment Analysis

The following table is a detailed analysis of the three different property segments. This analysis calculates the following two ratios which are integral in assessing the performance of the property segments:

	PROPERTY INVESTMENTS		PROPERTY UNDER CONSTRUCTION FOR INVESTMENT		PROPERTY DEVELOPMENT FOR RESALE	
	2003	2002	2003	2002	2003	2002
% of Consolidated Revenue	4.9%	4.9%	0.0%	0.0%	0.0%	0.0%
% of Consolidated Result	13.2%	15.0%	-0.7%	-0.8%	-0.1%	-0.1%
Yield %						
[Revenue/Segment Assets After Eliminations]	10.4%	10.1%	0.8%	0.0%	1.1%	-0.9%
Return on Assets %						
[Result/Segment Assets After Eliminations]	4.6%	5.1%	-2.5%	-1.7%	-0.8%	-1.9%
	2003	2002	2003	2002	2003	2002
	\$000	\$000	\$000	\$000	\$000	\$000
Segment Assets After Eliminations	673,935	560,949	65,930	87,610	31,846	11,368
Less: Accumulated Asset Revaluation Reserve	(172,332)	(132,712)	(1,110)	(1,110)	-	-
Segment Assets After Eliminations Less Revaluation	501,603	428,237	64,820	86,500	31,846	11,368
Yield %						
[Revenue/Segment Assets After Eliminations & Revaluations]	14.0%	13.2%	0.8%	0.0%	1.1%	-0.9%
Return on Assets %						
[Result/Segment Assets After Eliminations & Revaluations]	6.1%	6.6%	-2.6%	-1.7%	-0.8%	-1.9%

Segment Information (continued)

SECONDARY SEGMENT – Geographic Segments

30 JUNE 2003

Australia	New Zealand	Asia	Slovenia	United Kingdom	Ireland	Eliminations	Consolidated
2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000

Segment Revenue	757,825	268,177	368,436	18,312	12,431	-	(5,565)	1,419,616
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Segment Assets	1,616,840	173,437	107,450	43,565	4,207	6,716	(26,495)	1,925,720
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Other Segment Information:

Acquisition of property,
plant and equipment,
intangible assets and
other non-current assets

156,617	38,000	1,225	5,329	44	4,533	-	205,748
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30 JUNE 2002

Australia	New Zealand	Asia	Slovenia	United Kingdom	Ireland	Eliminations	Consolidated
2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000	2002 \$000

Segment Revenue	637,268	167,896	349,770	64	5,205	-	-	1,160,203
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Segment Assets	1,433,780	97,846	107,203	27,541	3,862	-	(1,730)	1,668,502
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Other Segment Information:

Acquisition of property,
plant and equipment,
intangible assets and
other non-current assets

190,319	26,331	1,344	15,971	2,503	-	-	236,468
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Notes to and forming part of the Financial Statements for the year ended 30 June 2003

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporations Act 2001, Australian Accounting Standards and Urgent Issues Group Consensus Views and other authoritative pronouncements.

The financial report has been prepared in accordance with the historical cost convention using the accounting policies described below. These policies are consistent with those adopted in the previous year unless otherwise stated. Further they do not take account of changes in either the general purchasing power of the dollar or in the prices of specific assets, except for land and buildings, which are stated at fair value, as described in Note 14.

(b) Principles of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Harvey Norman Holdings Limited, and its controlled entities (refer Note 40) referred to collectively throughout these financial statements as the "consolidated entity". All intergroup transactions and balances have been eliminated. Franchisees are not controlled by the consolidated entity and have not been consolidated. Where an entity began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with group policy and generally accepted accounting principles in Australia.

(c) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

(d) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate of the provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(e) Consumer Finance Loans

Repayments of consumer finance loans are allocated between principal and interest components. Interest on consumer finance loans is recognised as income as each repayment instalment falls due.

Unearned revenue on consumer finance loans has been calculated using actuarial methods so that revenue earned over the term of the contract bears a constant relationship to funds employed. Income is brought to account on consumer finance loans only where it has been paid or where it is unpaid but recovery is certain.

(f) Land and Buildings

It is the policy of the consolidated entity to review annually the values of land and buildings based on the use of the properties by the consolidated entity as a going concern. The directors have elected to carry these land and buildings at fair value. The valuations take no account of any potential capital gains tax as it is the intention of the consolidated entity to hold the properties as part of its ongoing operations.

(g) Depreciation and Amortisation of Property, Plant and Equipment

Properties in the ACT which are held under a 99 year ground crown land sublease from the Commonwealth Government, are not amortised over the remaining life of the lease, as the expectation is that these leases will be renewed at minimal cost once they expire. Buildings on these sites are depreciated over their useful lives using the straight line method. New assets are depreciated from the time of acquisition. Profits and losses on disposal of property, plant and equipment are taken into account in determining the profit for the year.

Property, plant and equipment, excluding freehold land and leasehold property, are depreciated over their useful economic lives using the straight line method as follows:

Asset Class	Life
Buildings	20-40 years
Owned Plant and Equipment	3-20 years
Plant and Equipment Under Lease	1-10 years

The directors have elected to carry plant and equipment at cost.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies (continued)

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using a weighted average basis.

(i) Intangibles

Goodwill on Acquisition

On acquisition of a controlled entity, the difference between the purchase consideration plus incidental expenses and the fair value of identifiable net assets acquired is initially brought to account as goodwill or discount on acquisition.

Purchased goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise, which is currently between five and twenty years. The unamortised balance of goodwill is reviewed at each balance date and charged to the Statement of Financial Performance to the extent that applicable future benefits are no longer probable.

(j) Leases

Company as lessee

Operating leases

Where title is not expected to pass to the lessee at the end of the lease term the lease is classified as an operating lease. Lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

Company as lessor

Direct finance leases

Direct finance receivables are recognised as receivables at the beginning of the lease term at the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual expected to accrue to the benefit of the consolidated entity at the end of the lease term. The discount rate used in determining the present value is the interest rate implicit in the lease. Lease payments are allocated between principal and interest components. Lease receivables are reduced by payments of principal whilst the interest component is credited to the Statement of Financial Performance.

(k) Taxes

Income Tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and the taxable income. The tax effect of timing differences which arise from the recognition of revenue and expense items in the accounts in periods different from those in which they are assessable or allowable for income tax purposes, are presented in the Statement of Financial Position as a "future income tax benefit" at the tax rate expected to apply when the differences reverse. A future income tax benefit relating to timing differences is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Provisions for Employee Benefits

Provision has been made in the financial statements for benefits accruing to employees in relation to such matters as annual leave, long service leave and workers compensation. All employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to reporting date. All on-costs, including payroll tax, workers' compensation premiums and fringe benefits tax are included in the determination of the provisions. Employee entitlement expenses and revenues are charged against profits on a net basis in their respective categories.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies (continued)

(m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Income is brought to account, in respect of the sale of goods, when the relevant goods are delivered to the purchaser.

Rental income is brought to account when control over the right to receive rental payments is determined.

Income attributable to franchise fees is brought to account only when the franchise fees have been earned, or where franchise fees are unpaid but recovery is certain.

Dividend and trust income is brought to account when control over the right to receive dividend and trust payments is determined.

Interest income is brought to account when control over the right to receive interest payments is determined.

(n) Recoverable Amounts of Non-Current Assets

The carrying amounts of all non-current assets are reviewed at least annually to determine whether they exceed their recoverable amount. The recoverable amount is determined by reference to net cash flows which have not been discounted.

(o) Investments Accounted for Using Equity Method – Associated and Joint Venture Entities

Interests in associated and joint venture entities are brought to account using the equity method. Under this method, the investment in associates and joint ventures is initially recognised at its cost of acquisition and its carrying value is subsequently adjusted for increases or decreases in the investor's share of post-acquisition results and reserves of the associated and joint venture entities. The investment in associated and joint venture entities is decreased by the amount of dividends received or receivable. Investments in associates and joint ventures are carried at the lower of cost and recoverable amount in the accounts of the consolidated entity.

Detailed equity accounting information concerning the consolidated entity's interest in material associated and joint venture entities is provided in Note 39.

(p) Accounting for Investments in Partnerships

Interests in jointly controlled partnerships are brought to account as follows:

The consolidated entity's share of the total assets employed by the partnership is brought to account in the "Investment in Partnership" line within "Investments accounted for using equity method" on the Statement of Financial Position.

The liabilities of the partnership are brought to account in their respective financial statement categories of the consolidated entity, as the consolidated entity is jointly and/or severally liable for the liabilities of the partnerships.

The consolidated entity's share of the net profit, or the total net loss, is brought to account as "Share of net profit of associates, joint ventures and partnerships accounted for using equity method" on the Statement of Financial Performance.

The consolidated entity recognises a right of indemnity for joint and/or several liabilities within receivables on the Statement of Financial Position.

(q) Other Financial Assets

Interests in non-subsidiary, non-associated corporations held for long-term purposes are included in "Other Financial Assets" (non-current) at cost.

Shares in unlisted companies and units in unit trusts are included in "Other Financial Assets" (non-current) at cost.

Listed shares held for trading are carried at net market value and are included in "Other Financial Assets" (current). Changes in net market value are recognised as revenue or expenses in the Statement of Financial Performance for the period.

Where listed shares have been revalued, any capital gains tax which may become payable has not been taken into account in determining the revalued carrying amount. Where it is expected that a liability for capital gains tax exists, this amount is recognised in the Statement of Financial Performance for the reporting period.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies (continued)

(r) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount.

(s) Foreign Currency Transactions

Foreign currency items are translated to Australian currency on the following bases:

- Transactions are converted at exchange rates in effect at the date of each transaction;
- Amounts payable and receivable are translated at the average of the buy and sell rates available on the close of business at balance date; and
- The financial statements of all foreign operations are translated using the current rate method as they are considered self-sustaining.

Exchange differences relating to monetary items are included in the Statement of Financial Performance, as exchange gains and losses in the period when exchange rates change, except where the difference relates to hedging part of the net investment in a self-sustaining foreign operation, in which case the differences are transferred to the foreign currency translation reserve on consolidation.

(t) Interest-Bearing Liabilities

Bills payable are recognised when issued at the amount of the net proceeds received, with the discount on issue amortised over the period to maturity. Interest is recognised as an expense on an effective yield basis.

Interest rate swaps are recognised as a liability, measured by reference to amounts payable. Net receipts and payments are recognised as an adjustment to interest expense.

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

(u) Derivative Financial Instruments

The consolidated entity enters into forward exchange contracts where it agrees to buy specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations.

Foreign exchange contracts are recognised at the date that the contract is entered into. Except for specific hedges, all resulting exchange differences on settlement or restatement are recognised as revenues or expenses in the Statement of Financial Performance in the current year.

(v) Contributed Equity

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders. Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(w) Borrowing Costs

Borrowing costs are expensed as incurred.

(x) Earnings Per Share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies (continued)

(y) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year except for the accounting policies with respect to the provision for dividends and employee benefits.

Provision for Dividends

The consolidated entity has adopted the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" which has resulted in a change in the accounting for the provision of dividends. Previously, the consolidated entity recognised a provision for dividend based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new Standard, a provision for dividends will only be recognised at the reporting date where the dividends have been declared, determined or publicly recommended prior to the reporting date. The effect of the adoption of AASB 1044 has been to increase consolidated retained profits and decrease provisions at the beginning of the year by \$26,397,336 (refer to Note 28). In accordance with AASB 1044, no provision for dividend has been recognised for the year ended 30 June 2003.

Employee Benefits

The consolidated entity has adopted the revised Accounting Standard AASB 1028 "Employee Benefits", which has resulted in a change in the accounting policy for the measurement of employee benefit liabilities. Previously, the consolidated entity measured the provision for employee benefits based on remuneration rates at the date of recognition of the liability. In accordance with the requirements of the revised standard AASB 1028, the provision for employee benefits is now measured based on the remuneration rates expected to be paid when the liability is settled.

By applying the revised standard, there has been no adjustment to the consolidated retained profits or to the employee benefit liabilities at the beginning of the year.

(z) Comparative Amounts

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

AASB 1044

As a result of the first time application of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", comparatives for provisions, as set out in Note 20, have been repositioned to be consistent with current year disclosures.

Notes to the Financial Statements (continued)

NOTE	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
2. Revenue From Ordinary Activities				
Revenues from operating activities:				
Revenue from the sale of products	1,000,245	788,156	-	-
Other revenues from operating activities:				
Gross revenue from:				
Franchisees (excluding rent and interest received)	256,640	226,389	-	-
Rent received from franchisees and other third parties	108,065	93,729	-	-
Trust distribution received from:				
Other related entities	-	416	-	-
Interest received from:				
franchisees	14,129	13,184	-	-
Total other revenues from operating activities	378,834	333,718	-	-
Share of net results of associates, joint venture entities and partnerships	39	1,948	879	-
Total revenues from operating activities	1,381,027	1,122,753	-	-
Other revenues from non-operating activities:				
Interest received from:				
Other unrelated parties	4,690	3,770	-	-
Trust distribution received from:				
Controlled entities	-	-	45,313	39,626
Dividends from:				
Related parties (wholly owned group)	-	-	91,134	163,308
Other unrelated parties	645	543	-	-
Other revenue	30,607	22,823	9	24
Gross proceeds from the disposal of plant and equipment	2,606	2,374	-	-
Gross proceeds from the disposal of listed securities	41	7,610	-	-
Net foreign exchange gains from:				
Other items	-	330	-	-
Total other revenues from non-operating activities	38,589	37,450	-	-
Total revenues from ordinary activities	1,419,616	1,160,203	136,456	202,958
Total revenues from ordinary activities is disclosed on the Statement of Financial Performance as follows:				
Sales revenue	1,000,245	788,156	-	-
Other revenues from operating activities	378,834	333,718	-	-
Other revenues from non-operating activities	38,589	37,450	136,456	202,958
Total other revenues	417,423	371,168	136,456	202,958
Share of net results of associates, joint venture entities and partnerships	1,948	879	-	-
Total revenues from ordinary activities	1,419,616	1,160,203	136,456	202,958

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
3. Expenses and Losses/(Gains):				
Depreciation and amortisation:				
Depreciation of:				
Buildings	8,176	6,569	-	-
Plant and equipment	53,874	45,805	-	-
Amortisation of:				
Leased plant and equipment	3,891	4,214	-	-
Goodwill	854	844	-	-
Total depreciation and amortisation	66,795	57,432	-	-
Borrowing costs:				
Interest paid or payable:				
Finance leases	1,088	1,373	-	-
Loans from directors and director related entities	867	3,116	-	-
Other	26,160	19,435	-	-
Total borrowing costs	28,115	23,924	-	-
Other expense items:				
Net bad debts – written off	1,145	1,438	-	-
Net charge to provision for doubtful debts	(848)	686	-	-
Gross costs on disposal of plant and equipment (a)	2,619	2,003	-	-
Gross costs on disposal and revaluation of listed securities (b)	656	3,836	-	-
Operating lease rentals (c)	76,840	70,958	-	-
Provision for obsolescence of inventories	186	1,857	-	-
Provision for employee benefits	1,726	931	-	-
(a) Net (profit)/loss on disposal of plant and equipment	13	(371)	-	-
(b) Net (profit)/loss on disposal and revaluation of listed securities	616	(3,774)	-	-
(c) Comprises:				
Minimum lease payments	76,840	70,958	-	-

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

4. Income Tax

Income Tax Expense

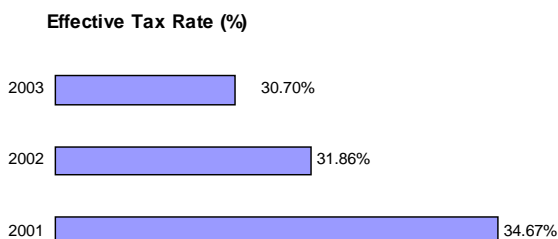
The difference between income tax expense provided in the financial statements and the prima facie income tax is reconciled as follows:

Profit from ordinary activities	233,289	189,410	135,995	202,519
Prima facie tax thereon at 30%	69,987	56,823	40,799	60,756
Tax effect of permanent and other differences:				
Amortisation of intangible assets	196	179	-	-
Building depreciation	103	379	98	96
Non deductible asset write offs	96	232	-	-
Sundry items	219	213	15	44
Amounts (over)/under provided in prior years	148	(142)	(37)	11
Effect of different rates of tax on overseas income and exchange rate differences	78	1,477	-	-
Restatement of deferred tax balances due to income tax rate changes	-	59	-	59
Other adjustments to deferred tax balances	(512)	270	-	270
Utilisation of tax losses	(857)	(303)	-	-
Benefit of tax losses and timing differences for the current year not brought to account	963	-	-	-
Non deductible provisions relating to overseas entities	1,192	1,164	-	-
Dividends received	-	-	(27,340)	(48,992)
Total tax effect of permanent and other differences:	1,626	3,528	(27,264)	(48,512)
Total income tax attributable to profit from ordinary activities	71,613	60,351	13,535	12,244

This future income tax benefit will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Tax Consolidation



Effective 1 July 2002, for the purposes of income taxation, Harvey Norman Holdings Limited and its 100% owned subsidiaries have formed a tax consolidated group. The transitional method of existing tax values will be adopted in determining the tax cost of assets owned by entities forming part of the consolidated group. At balance date, there has been no material effect on the future income tax benefit of \$7.9 million and the provision for income tax of \$26.0 million. Harvey Norman Holdings Limited has not formally notified the Australian Taxation Office of its adoption of the tax consolidation regime.

Notes to the Financial Statements (continued)

	CONSOLIDATED	
	2003	2002
	\$000	\$000

5. Earnings Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Net profit	161,676	129,059
Adjustments:		
Net profit attributable to outside equity interest	(10,627)	(782)
Earnings used in calculating basic and diluted earnings per share	151,049	128,277
	Number of Shares	
	2003	2002
Weighted average number of ordinary shares used in calculating basic earnings per share	1,055,893,449	1,039,999,770
Effect of dilutive securities:		
Share Options	-	1,165,375
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,055,893,449	1,041,165,145

In the prior year, the parent entity raised \$103,744,599 (before costs of \$23,487) and issued 37,717,029 new shares by means of a pro rata renounceable rights issue. The rights issue closed on 19 December 2001 and the new shares were allotted on 14 January 2002.

In accordance with AASB 1027 "Earnings Per Share", as a result of the rights issue disclosed above, the prior period basic and diluted earnings per share calculations have been adjusted by a bonus element, due to the market price immediately prior to the rights issue exercise date exceeding the rights issue exercise price.

The 10,500,000 share options with an exercise price of \$3.21 per option and the 4,000,000 share options with an exercise price of \$4.10 per option have been excluded from the current year diluted earnings per share calculation. For these options, the exercise price exceeded the average market price for the year ended 30 June 2003 and therefore were not considered to be dilutive.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
6. Receivables (Current)				
Trade debtors	616,551	529,229	-	-
Provision for doubtful debts	(3,283)	(2,973)	-	-
Trade debtors, net	613,268	526,256	-	-
Consumer finance loans	2,318	4,693	-	-
Amounts receivable in respect of finance leases (a)	7,929	7,790	-	-
Non-trade debts receivable from:				
Related parties	1,875	3,223	-	-
Other unrelated persons	28,160	27,548	-	-
Provision for doubtful debts	(815)	(1,317)	-	-
Non-trade debts receivable, net	29,220	29,454	-	-
Total receivables (current)	652,735	568,193	-	-
(a) Finance lease receivables are reconciled to amounts receivable in respect of finance leases as follows:				
Aggregate of minimum lease payments and guaranteed residual values:				
Not later than one year	8,827	8,623	-	-
Later than one year but not later than five years	13,314	10,556	-	-
	22,141	19,179	-	-
Future finance revenue:				
Not later than one year	(898)	(833)	-	-
Later than one year but not later than five years	(1,363)	(990)	-	-
Net finance lease receivables	19,880	17,356	-	-
Reconciled to:				
Receivables (Current)	7,929	7,790	-	-
Receivables (Non-current – Note 11)	11,951	9,566	-	-
	19,880	17,356	-	-

The consolidated entity offers finance lease arrangements as part of its consumer finance business. Finance leases are offered in respect of motor vehicles, livestock and fixtures and fittings, with lease terms not exceeding 4 years. All finance leases are at fixed rates for the term of the lease.

7. Other Financial Assets (Current)

Listed shares	456	2,504	-	-
Other investments	529	-	-	-
Hedge receivable	7,639	-	-	-
Promissory note	-	7,970	-	-
Total other financial assets (current)	8,624	10,474	-	-

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

8. Inventories (Current)

Finished goods at cost	192,851	159,055	-	-
Provision for obsolescence	(4,315)	(4,129)	-	-
Total current inventories, net	188,536	154,926	-	-

9. Tax Assets (Current)

Future income tax benefit:				
- Income tax instalments recoverable	31	120	-	-
- Income tax losses	34	1,316	-	-
Total tax assets (current)	65	1,436	-	-

10. Other Assets (Current)

Prepayments	5,926	11,485	-	-
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11. Receivables (Non-Current)

Consumer finance loans	774	1,564	-	-
Provision for doubtful debts	(774)	(1,430)	-	-
	-	134	-	-
Amounts receivable in respect of finance leases	11,951	9,566	-	-
Non-trade debts receivable from wholly owned entities	-	-	614,457	545,590
Total receivables (non-current)	11,951	9,700	614,457	545,590

12. Inventories (Non-Current)

Land held for resale	18,351	-	-	-
Buildings held for resale	276	-	-	-
Total non-current inventories, net	18,627	-	-	-

This relates to properties that have been acquired for development and resale which are not expected to occur within the next twelve months.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Securities not quoted on prescribed Stock Exchanges – at cost (in wholly owned controlled entities see Note 40)	-	-	46,825	46,826
Units in unit trusts not quoted on prescribed Stock Exchanges – at cost (a)	9,279	12,351	8,789	8,781
Securities quoted on prescribed Stock Exchanges - (in unrelated entities) (b)	6,934	6,478	-	-
Other unquoted investments – at cost	-	33	-	-
Total other financial assets (non-current)	16,213	18,862	55,614	55,607

(a) Units in Unit Trusts

Certain consumer finance receivables are sold, in accordance with an agreement, to a special purpose trust, "The Financial Assets Specialised Trust No. 1" (FAST). The consolidated entity may, but is not obliged to, sell receivables to FAST and FAST may, but is not obliged to, purchase some or all of consumer finance receivables. The receivables that have been sold to FAST, and which at balance date remain outstanding, total \$34.27 million (2002: \$51.74 million). The consolidated entity also holds monies on behalf of FAST relating to these receivables of \$2.59 million (2002: \$2.62 million) at balance date.

In these financial statements, the consolidated entity's interest in FAST is 24.46% (2002: 24.54%) of all issued equity units in FAST. These units are of variable amounts and are included in the consolidated financial statements in other financial assets of \$9.08 million (2002: \$12.15 million). Consumer finance receivables that have not been sold pursuant to this agreement are included in consumer finance loans.

The consolidated entity, prior to selling the receivables, establishes a provision for doubtful debts, adequate to cover any bad or doubtful debts that may be sold back to the consolidated entity.

The consolidated entity is exposed to interest rate risk through its investment in FAST. Under the Receivables Facility Agreement between the consolidated entity and the Manager and Trustee of FAST, the consolidated entity bears the cost of all interest paid in relation to commercial paper issued by FAST. Interest paid by FAST on commercial paper proceeds for the year ended 30 June 2003 was \$2.18 million (2002: \$2.06 million). The weighted average interest rate applicable to commercial paper issued by FAST for the year ended 30 June 2003 was 4.93% (2002: 4.71%).

(b) Securities Quoted on Prescribed Stock Exchanges in Unrelated Entities

Briscoe Group Limited

The consolidated entity holds listed securities in Briscoe Group Limited, a company listed on the New Zealand Stock Exchange. Briscoe Group Limited operates the "Briscoes Homeware" and "Rebel Sports" retail chains in New Zealand.

The consolidated entity holds a 2.5% ownership interest in Briscoe Group Limited. The carrying amount of this investment at cost at 30 June 2003 is \$4,583,552. The market value at 30 June 2003 is \$9,440,093.

Gazal Corporation Limited

The consolidated entity holds listed securities in Gazal Corporation Limited (Gazal). The principal activities of Gazal include the design, manufacture, importation, wholesale and retail of well known branded apparel and accessories.

The carrying amount and fair value of this investment at 30 June 2003 is \$2,350,000.

Notes to the Financial Statements (continued)

14. Property, Plant and Equipment (Non-Current)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Summary				
Land				
At fair value	371,348	332,035	-	-
Buildings				
At fair value	352,843	287,043	-	-
Accumulated depreciation	-	-	-	-
Total buildings	352,843	287,043	-	-
Net land and buildings	724,191	619,078	-	-
Plant and equipment				
At cost	423,149	347,079	-	-
Accumulated depreciation	(230,602)	(183,210)	-	-
	192,547	163,869	-	-
Plant and equipment under lease				
At cost	20,686	25,926	-	-
Accumulated amortisation	(8,836)	(8,309)	-	-
	11,850	17,617	-	-
Total plant and equipment	204,397	181,486	-	-
Total property, plant and equipment				
Fair value	724,191	619,078	-	-
Cost	443,835	373,005	-	-
	1,168,026	992,083	-	-
Accumulated depreciation and amortisation	(239,438)	(191,519)	-	-
Total written down amount	928,588	800,564	-	-

Valuations

Valuations of land and buildings were made by directors of the parent entity as at 30 June 2003 on the basis of fair value. The valuations used for 2002 comparatives were made by directors of the parent entity as at 30 June 2002 on the basis of fair value. All properties are valued at fair value which has been calculated using the capitalisation method of valuation and having regard to the highest and best use of the land and buildings.

The capitalisation rate is selected to reflect such factors as the quality of construction, age of improvements and strength of the tenure of external tenants and Harvey Norman Franchisees.

Notes to the Financial Statements (continued)

14. Property, Plant and Equipment (Non- Current) (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Land				
Fair value				
Opening balance	332,035	307,931	-	-
Additions	17,963	9,316	-	-
Increase resulting from revaluation	26,061	14,568	-	-
Disposals	(914)	-	-	-
Transfer to assets held for resale	(5,175)	-	-	-
Transfers from equity accounted investments	1,672	-	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(294)	220	-	-
Closing balance	371,348	332,035	-	-
Buildings (a)				
Fair value				
Opening balance	287,043	227,283	-	-
Additions	63,715	81,676	-	-
Disposals	(674)	-	-	-
Net amount of revaluation increments less decrements	10,599	4,029	-	-
Reversal of asset value upon revaluation	(6,126)	(26,607)	-	-
Net foreign currency differences arising from self-sustaining foreign operations	717	662	-	-
Transfers to plant and equipment	(2,431)	-	-	-
Closing balance	352,843	287,043	-	-
Accumulated Depreciation				
Opening Balance	-	21,454	-	-
Depreciation for the year	8,176	6,569	-	-
Disposals	(240)	(23)	-	-
Reversal upon revaluation	(7,376)	(28,069)	-	-
Transfers to plant and equipment	(530)	-	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(30)	69	-	-
Closing balance	-	-	-	-
Net book value	352,843	287,043	-	-
Total land and buildings at 30 June 2003	724,191	619,078	-	-

(a) Included in Buildings are buildings under construction at a cost of \$31,869,386 (2002: \$23,771,195).

Notes to the Statement of Financial Position (continued)

14. Property, Plant and Equipment (Non- Current) (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Plant and equipment				
Cost				
Opening balance	347,079	256,445	-	-
Balance acquired in controlled entity	-	32,766	-	-
Additions	88,290	58,307	-	-
Disposals	(17,308)	(6,052)	-	-
Transfers from capitalised leased plant and equipment	5,067	6,970	-	-
Transfers from buildings	2,431	-	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(2,410)	(1,357)	-	-
Closing balance	423,149	347,079	-	-
Accumulated Depreciation				
Opening balance	183,210	115,717	-	-
Balance acquired in controlled entity	-	22,141	-	-
Depreciation for the year	53,874	45,805	-	-
Disposals	(8,477)	(4,292)	-	-
Transfers from capitalised leased plant and equipment	3,197	4,635	-	-
Transfers from buildings	530	-	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(1,732)	(796)	-	-
Closing balance	230,602	183,210	-	-
Net book value	192,547	163,869	-	-
Capitalised Leased Plant and Equipment				
Capitalised cost				
Opening balance	25,926	-	-	-
Balance acquired in controlled entity	-	30,353	-	-
Additions	166	3,073	-	-
Disposals	(339)	(530)	-	-
Transfers to owned plant and equipment	(5,067)	(6,970)	-	-
Closing balance	20,686	25,926	-	-
Accumulated Depreciation				
Opening balance	8,309	-	-	-
Balance acquired in controlled entity	-	8,994	-	-
Amortisation for the period	3,891	4,214	-	-
Transfers to owned plant and equipment	(3,197)	(4,635)	-	-
Disposals	(167)	(264)	-	-
Closing balance	8,836	8,309	-	-
Net book value	11,850	17,617	-	-
Total plant and equipment at 30 June 2003	204,397	181,486	-	-
Total property, plant and equipment at 30 June 2003	928,588	800,564	-	-

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

15. Intangible Assets (Non-Current)

Goodwill – at cost	13,833	14,299	-	-
Accumulated amortisation	(1,819)	(1,073)	-	-
Total intangibles, net	12,014	13,226	-	-

This goodwill primarily relates to the goodwill on consolidation resulting from the acquisition of a controlling interest in Rebel Sport Limited.

16. Deferred Tax Assets (Non-Current)

Future income tax benefits attributable to timing differences	7,952	6,985	2,526	2,798
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17. Payables (Current)

Unsecured:				
Trade creditors and accruals	421,696	395,191	240	102
Hedge payable	7,639	-	-	-
Total payables (current)	429,335	395,191	240	102

18. Interest-Bearing Liabilities (Current)

Secured:				
Non trade amounts owing to:				
- Other related parties (a)	2,594	2,623	-	-
Unsecured:				
Bank overdraft	5,856	7,270	-	-
Lease liabilities (b) (Note 34)	5,991	7,053	-	-
Hire purchase liabilities	-	32	-	-
Non trade amounts owing to:				
- Directors (c)	10,057	14,212	-	-
- Other related parties (c)	915	667	-	-
- Other unrelated persons	319	101	-	-
Total interest-bearing liabilities (current)	25,732	31,958	-	-

(a) These loans are secured over consumer finance receivables.

(b) The implicit interest rate on lease liabilities is 9% over a term of 3 years.

(c) Interest is payable at normal commercial bank bill rates. The loans are unsecured and repayable at call.

19. Tax Liabilities (Current)

Provision for taxation	26,076	30,914	7,687	8,889
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Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

20. Provisions (Current)

Dividends on ordinary shares	-	26,738	-	26,397
Employee entitlements	8,060	6,320	-	-
Total other provisions (current)	8,060	33,058	-	26,397

21. Other Liabilities (Current)

Lease incentives	1,216	1,178	-	-
Unearned revenue	5,140	2,600	-	-
Total other liabilities (current)	6,356	3,778	-	-

22. Payables (Non-Current)

Unsecured:				
Trade creditors	-	32	-	-

23. Interest-Bearing Liabilities (Non-Current)

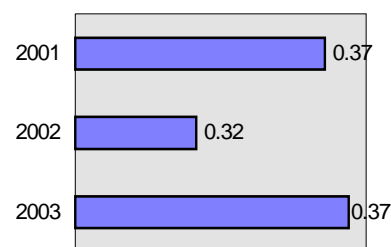
Secured bills payable	386,714	281,689	-	-
Lease liabilities	4,073	9,330	-	-
Hire purchase liabilities	-	16	-	-
Total interest-bearing liabilities (non-current)	390,787	291,035	-	-

Bills payable are secured by a first mortgage over certain freehold land and buildings and by deeds of charge and mortgage debentures over inventories, trade debtors, consumer finance loans and lease receivables. The bills have an average maturity of 30 days with effective interest rates of 4.9% to 6.6% (2002: 4.3% to 5.3%).

Bills payable have been classified as non-current interest-bearing liabilities on the basis that no net principal reductions are intended to be made prior to 30 June 2004 pursuant to the existing bill facilities. The bank reserves the right to withdraw the facilities if, in the opinion of the bank, there have been material adverse changes in the financial condition or operation of the business. In addition certain ratios are to be maintained to the satisfaction of the bank.

These facilities are subject to annual review.

Bills Payable to Equity Ratio



Total bills payable in the consolidated entity as a proportion of total equity in the consolidated entity

24. Provisions (Non-Current)

Employee entitlements	1,344	1,358	-	-
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Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

25. Other Liabilities (Non-Current)

Lease incentives	2,804	2,875	-	-
Unearned revenue	1,189	2,409	-	-
Total other liabilities (non-current)	3,993	5,284	-	-

26. Contributed Equity

Ordinary shares (a)	246,591	246,591	246,591	246,591
Outside equity interests	53,644	56,400	-	-
Total contributed equity	300,235	302,991	246,591	246,591

	Number of Ordinary Shares	
	2003	2002
(a) Movements in issued shares for the year:		
Opening number of shares	1,055,893,449	1,018,176,420
Rights Issue on 14 January 2002	-	37,717,029
Closing number of shares	1,055,893,449	1,055,893,449

Ordinary Shares - Terms and Conditions

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in any surplus on winding up in proportion to the number of and amounts paid up on shares held.

Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the company.

Share Options

Harvey Norman Holdings Limited

On 21 November 2000, in accordance with a Special Resolution passed at the annual general meeting of members of the parent company, options to take up ordinary shares in the capital of the parent company at an exercise price of \$4.10 per option were granted to the trustees of separate trusts for the benefit of each of John Slack-Smith and family (2,000,000 options) and Stephen Hauville and family (2,000,000 options) (collectively the "November 2000 Options").

Each of the November 2000 Options:

- (a) is not capable of being exercised prior to 1 July 2003; and
- (b) expires at midnight on 30 June 2005.

The November 2000 Options have not been exercised.

For the purposes of disclosure, the Black-Scholes option pricing formula was utilised in the manner set out in the notice of general meeting of shareholders to approve the November 2000 Options, so that:

- Each of the November 2000 Options was valued, as at the date of grant 21 November 2000, at \$1.2665 per option;
- The options issued to the trustee of the trust for the benefit of John Slack-Smith and family had a total option value of \$2,533,000 as at the grant date. The value included in the disclosure of the remuneration to John Slack-Smith for the year ended 30 June 2003 is \$971,161. This is calculated as the number of days in the financial year over the total number of days in the option vesting period multiplied by the number of options granted at the Black-Scholes price of \$1.2665.
- The options issued to the trustee of the trust for the benefit of Stephen Hauville and family had a value of \$2,533,000. The value included in the disclosure of the remuneration to Stephen Hauville for the year ended 30 June 2003 is \$971,161. This is calculated as the number of days in the financial year over the total number of days in the option vesting period multiplied by the number of options granted at the Black-Scholes price of \$1.2665.

Notes to the Financial Statements (continued)

26. Contributed Equity (continued)

On 31 August 1999, in accordance with a Special Resolution passed at a general meeting of members of the parent company, options to take up ordinary shares in the capital of the parent company at an exercise price of \$3.212 per option were granted to the trustees of separate trusts for the benefit of each of Gerald Harvey and family (3,000,000 options), Kay Lesley Page and family (3,000,000 options), Raymond John Skippen and family (3,000,000 options) and Arthur Bayly Brew and family (1,500,000 options) (collectively the "August 1999 Options").

Each of the August 1999 Options:

- is not capable of being exercised prior to 1 July 2002; and
- expires at midnight on 30 June 2004.

The August 1999 Options have not been exercised.

Rebel Sport Limited

(a) Options granted to directors of Rebel Sport Limited during the year ended 30 June 2003:

At a general meeting of shareholders of Rebel Sport Limited held on 26 September 2002, the shareholders approved the granting of 3,400,000 options to Stephen Heath, the Managing Director of Rebel Sport Limited. The options entitle the option holder to subscribe for 3,000,000 ordinary shares at \$0.83 each ('the first tranche') and 400,000 ordinary shares at \$1.75 each ('the second tranche'). The options cannot be exercised before 1 October 2005 and they expire on 30 September 2007. The options were issued free of charge to the Managing Director. Using the Black-Scholes option pricing formula, each of the first tranche options were valued at \$0.86 per option, or \$2,580,000 in total, and each of the second tranche options were valued at \$0.55 per option, or \$220,000 in total.

Pursuant to Rebel Sport Limited's Employee Option Incentive Scheme, on 4 April 2003, Rebel Sport Limited granted unlisted options over 500,000 unissued ordinary shares to Karen Bozic, an employee of Rebel Sport Limited, at an exercise price of \$2.22 per option. The options were issued free of charge to this employee. Karen Bozic later became an executive director of Rebel Sport Limited 22 May 2003. Using the Black-Scholes Option Pricing Formula, the options issued to Karen Bozic were valued at \$0.49 per option, or \$247,000 in total.

(b) Options granted to directors of Rebel Sport Limited in prior financial years:

At a general meeting of shareholders of Rebel Sport Limited held on 5 June 2001, the shareholders approved the granting of 2,000,000 options to Messrs. Dresner and Seskin, the former Joint Managing directors of Rebel Sport Limited. The options were exercisable in tranches, 800,000 at \$0.70, 400,000 at \$0.40, 400,000 at \$0.20 and 400,000 at \$0.01. The average exercise price at the date of issue was \$0.402 per option and the options were issued free of charge to the former directors. For the purposes of disclosure, the Black-Scholes option pricing formula was utilised, so that:

- each of the Rebel Dresner Seskin Options was valued at the date of issue 3 August 2001, at \$1.2373 per option;
- the Rebel Dresner Seskin Options issued to Ian Dresner had a value of \$2,474,680; and
- the Rebel Dresner Seskin Options issued to Hilton Seskin had a value of \$2,474,680.

On 24 April 2002, Ian Dresner and Hilton Seskin exercised 400,000 options each at \$0.20 per option and 400,000 options each at \$0.01 per option ("Rebel Dresner Seskin Options"). A total of 800,000 ordinary shares were issued to Ian Dresner and Hilton Seskin on exercise of the options, resulting in a total cash inflow to Rebel Sport Limited of \$168,000. The market value of these shares at the date of issue to Ian Dresner and Hilton Seskin was \$1,840,000.

As a result of the rights issue of shares which occurred in June 2002, the exercise price of the unexercised tranches of the Rebel Dresner Seskin Options was adjusted to 800,000 options at \$0.67 and 400,000 options at \$0.38 in accordance with the terms of the Rebel Dresner Seskin Options.

On 16 September 2002, Ian Dresner exercised 800,000 options at \$0.67 per option and 400,000 options at \$0.38 per option. A total of 1,200,000 ordinary shares were issued to Ian Dresner on exercise of the options resulting in a total cash inflow to Rebel of \$688,000. Ian Dresner has exercised all of the 2,000,000 options granted on 5 June 2001 and hence has no outstanding options as at 30 June 2003.

On 21 March 2003, Hilton Seskin exercised 400,000 options at \$0.38 per option. A total of 400,000 ordinary shares were issued to Hilton Seskin on exercise of the options resulting in a total cash inflow to Rebel of \$152,000. The balance of options granted to Hilton Seskin have not been exercised and will expire on 4 August 2006. Whilst Hilton Seskin had resigned as director of Rebel at balance date, he is still an employee of Rebel and hence the options remain exercisable until the expiry date.

Notes to the Financial Statements (continued)

26. Contributed Equity (continued)

Pertama Holdings Limited, Singapore

On 9 July 2003, at an Extraordinary General Meeting of shareholders', options to subscribe for up to 4,000,000 ordinary shares of par value \$0.25 Singapore Dollars each in the capital of Pertama Holdings Limited, were granted to Mr Martin Dunkerley at the exercise price of \$0.275 Singapore Dollars per option.

The terms of the option agreement entered into between Pertama Holdings Limited and Mr Martin Dunkerley in respect of these 4,000,000 options are:

- The exercise price of these options is subject to annual review by the Board
- The options are exercisable for the period commencing the third anniversary of 31 January 2003 and must be exercised before the fifth anniversary of 31 January 2003

Using the Black-Scholes option-pricing model, the value of these options at grant date is \$0.0613 Singapore Dollars per option (or 5.981 cents per option in Australian dollars). Thus, at grant date, the total value of these options is \$245,200 Singapore Dollars, or \$239,240 Australian dollars.

On 22 November 2001, at an Extraordinary General Meeting of shareholders, options to subscribe for up to 1,000,000 ordinary shares of par value of \$0.25 Singapore Dollars each in the capital of Pertama Holdings Limited, were granted to Ms Koh Kee Ai at the exercise price of \$0.45 Singapore Dollars per option.

On 9 July 2003, at an Extraordinary General Meeting of shareholders', the exercise price of these options granted to Ms Koh Kee Ai on the 22 November 2001 was revised from \$0.45 Singapore Dollars to \$0.275 Singapore Dollars per option.

The terms of the revised option agreement (dated 9 July 2003) entered into between Pertama Holdings Limited and Ms Koh Kee Ai in respect of these 1,000,000 options are:

- The exercise price of these options is subject to annual review by the Board
- The options are exercisable for the period commencing the fifth anniversary of 1 October 2000 and must be exercised before the tenth anniversary of 1 October 2000.

Using the Black-Scholes option-pricing model, the value of these options at the date the exercise price was revised is \$0.0605 Singapore Dollars per option (or 5.903 cents per option in Australian dollars). Thus, at grant date, the total value of these options had a value of \$60,500 Singapore Dollars, or \$59,030 Australian dollars.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

27. Reserves

Asset revaluation	173,442	133,822	-	-
Foreign currency translation	(1,753)	2,295	-	-
Total reserves	171,689	136,117	-	-

These comprise:

(a) Asset Revaluation

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.

Movements during the year:

Balance at beginning of year	133,822	113,763	-	-
Share of joint venture partnership's reserve increments arising during the year	2,960	1,462	-	-
Revaluation increments on revaluation of:				
- land	26,061	14,568	-	-
- buildings	10,599	4,029	-	-
Balance at end of year	173,442	133,822	-	-

(b) Foreign Currency Translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

Movements during the year:

Balance at beginning of year	2,295	2,128	-	-
Gain/(loss) on translation of overseas controlled entities	(4,048)	167	-	-
Balance at end of year	(1,753)	2,295	-	-

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

28. Retained Profits and Dividends

Retained Profits (attributable to members of the parent entity):

Retained profits at the beginning of the financial year	423,219	342,457	322,016	179,256
Adjustment arising from adoption of revised accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	26,738	-	26,738	-
Reclassification of minority interest dividend provision	(341)	-	(341)	-
Dividends provided for or paid	(52,794)	(47,515)	(52,794)	(47,515)
Net profit	151,049	128,277	122,460	190,275
Retained profits at the end of the financial year	547,871	423,219	418,079	322,016

Outside Equity Interests

Outside equity interests in controlled entities comprise the following:

Interest in contributed equity	53,644	56,400	-	-
Interest in reserves	(1,542)	(1,358)	-	-
Interest in dividends	-	(341)	-	-
Interest in opening retained earnings	5,157	14,484	-	-
Interest in current year profit	10,627	782	-	-
Total Outside Equity Interests	67,886	69,967	-	-

Equity:

Total equity at the beginning of the financial year	875,894	653,811	568,607	322,125
Total changes in equity recognised in the Statement of Financial Performance	186,621	148,503	122,460	190,275
Transactions with owners as owners				
Dividends	(52,794)	(47,515)	(52,794)	(47,515)
Rights Issue	-	103,722	-	103,722
Adjustment arising from adoption of revised accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	26,738	-	26,738	-
Reclassification of minority interest dividend provision	(341)	-	(341)	-
Total changes in outside equity interests	(2,081)	17,373	-	-
Total equity at the reporting date	1,034,037	875,894	664,670	568,607

Retained Profits

Retained profits and reserves that could be distributed as dividends and franked out of existing franking credits or out of franking credits arising from income tax payable

	255,189	211,491	195,365	164,914
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Notes to the Financial Statements (continued)

28. Retained Profits and Dividends (continued)

		CONSOLIDATED		PARENT	
		2003 \$000	2002 \$000	2003 \$000	2002 \$000
(a)	Dividends Proposed and Recognised as a Liability				
	Franked dividends				
	- Harvey Norman (2002: 2.5 cents)	-	26,397	-	26,397
	- Rebel Minority Interest (2002: 1 cent)	-	341	-	-
		-	26,738	-	26,397
(b)	Dividends Paid During the Year				
(i)	Current Year Interim				
	Franked dividends 2.5 cents per share (2002: 2.0 cents per share)	26,397	21,118	26,397	21,118
(ii)	Previous Year Final				
	Franked dividends 2.5 cents per share (2002: Relates to 2001 Final Dividend of 2.0 cents per share)	26,397	20,363	26,397	20,363
		52,794	41,481	52,794	41,481
The current year interim dividend was paid on 5 May 2003.					
The previous year final dividend was paid on 2 December 2002.					
The dividend expense balance recognised as at 30 June 2002 was comprised of the current year interim dividend for 2002 of \$21.12 million and the final dividend proposed for 2002 of \$26.40 million. This totalled \$47.52 million for the year.					
(c)	Dividends Proposed and not Recognised as a Liability				
	Franked dividends 2.5 cents per share (2002: nil)	26,397	-	26,397	-
The consolidated entity has changed its accounting policy in relation to providing for dividends. Refer to Note 1 (y) for the description of changed policies.					
(d)	Franking Credit Balance				
The amount of franking credits available for the subsequent financial year are:					
	franking account balance as at the end of the financial year at 30% (2002: 30%)	255,189	211,491	195,365	164,914
	franking credits that will arise from the payment of income tax payable as at the end of the financial year	19,336	28,743	6,343	7,545
		274,525	240,234	201,708	172,459

As of 1 July 2002, the new imputation system requires a company's franking credits to be expressed on a tax-paid basis. The franking account surplus existing at 30 June 2002 has been reinstated to a tax paid amount by multiplying the Class C franking surplus by 30/70.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

29. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

Cash on hand	26,805	29,100	-	-
Short term money market deposits	164	1,164	-	-
	26,969	30,264	-	-
Bank overdraft (Note 18)	(5,856)	(7,270)	-	-
Cash at end of period	21,113	22,994	-	-

(b) Reconciliation of net profit after income tax to net operating cash flows:

Net profit after income tax before outside equity interests	161,676	129,059	122,460	190,275
Adjustments for non-cash income and expense items:				
Net foreign exchange (gain)/loss	69	(330)	-	-
Bad and doubtful debts	1,145	1,438	-	-
Provision for inventory obsolescence	186	1,857	-	-
Share of joint ventures	158	807	-	-
Share of partnerships	-	492	-	-
Depreciation of property, plant and equipment	62,050	52,374	-	-
Amortisation of leased assets	3,891	4,214	-	-
Amortisation of goodwill	854	844	-	-
Transfers to provisions:				
Employee entitlements	1,726	931	-	-
Doubtful debts	(848)	686	-	-
(Profit)/loss on disposal of:				
Property, plant and equipment, and listed securities	629	(4,145)	-	-
Adjustment for non-operating cashflows:				
Conversion of non-trade amounts receivable from wholly owned controlled entities as consideration for purchase of investments	-	-	(7)	(9)

Notes to the Financial Statements (continued)

29. Notes to the Statement of Cash Flows (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
Changes in assets and liabilities net of effects from purchase and sale of controlled entities:				
(Increase)/decrease in assets:				
Accounts receivable	(88,158)	(30,227)	(91,260)	(163,323)
Inventory	(52,423)	(17,890)	-	-
Other current assets	4,602	6,078	-	-
Other non-current assets	(967)	(1,838)	549	(1,793)
Increase/(decrease) in liabilities:				
Accounts payable	18,661	43,226	138	15
Non trade amounts owing to FAST	(29)	536	-	-
Income tax payable	(4,838)	836	(1,203)	1,439
Net operating cash flows	108,384	188,948	30,677	26,604
	2003 Number	2002 Number	2003 Number	2002 Number

30. Employee Benefits

The number of full-time equivalent employees employed as at 30 June are:	3,161	2,228	-	-
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
The aggregate employee entitlement liability is comprised of:				
Accrued wages, salaries and on costs	2,961	1,082	-	-
Provisions (current – Note 20)	8,060	6,320	-	-
Provisions (non-current – Note 24)	1,344	1,358	-	-
Total employee entitlement provisions	12,365	8,760	-	-

The consolidated entity makes contributions to complying superannuation funds for the purpose of provision of superannuation benefits for eligible employees of the consolidated entity. The amount of contribution in respect of each eligible employee is not less than the prescribed minimum level of superannuation support in respect of that eligible employee. The complying superannuation funds are independent and not administered by the consolidated entity.

Options Issued to Directors of Harvey Norman Holdings Limited and Pertama Holdings Limited, Singapore:

Other than the options issued pursuant to the Employee Option Incentive Scheme of Rebel Sport Limited (refer below), the only other options issued within the Harvey Norman Holdings Limited consolidated group are to the directors of Harvey Norman Holdings Limited and Pertama Holdings Limited, Singapore.

At balance date, the following options over unissued ordinary shares were outstanding and vested (or able to be exercised) by directors of Harvey Norman Holdings Limited and Pertama Holdings Limited, Singapore:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2003	2002	2003	2002
31/08/1999	30/06/2004	\$3.21	10,500,000	10,500,000	10,500,000	-
21/11/2000	30/06/2005	\$4.10	4,000,000	4,000,000	-	-
16/11/2001	11/02/2005	\$SGD 0.45	-	4,000,000	-	-
16/11/2001	01/10/2010	\$SGD 0.45	1,000,000	1,000,000	-	-
			15,500,000	19,500,000	10,500,000	-

Notes to the Financial Statements (continued)

30. Employee Benefits (continued)

Employee Option Incentive Scheme for Rebel Sport Limited

Rebel Sport Limited ("Rebel") is the only entity within the Harvey Norman Holdings Limited consolidated group that offers an Employee Option Incentive Scheme. Hence the disclosure below only relates to Rebel.

Rebel operates an Employee Option Incentive Scheme which was approved by shareholders on 12 October 1993. Under the terms of this Scheme, the directors may offer options over unissued ordinary shares in Rebel to certain senior management employees of Rebel.

Pursuant to this Scheme, on 4 April 2003, Rebel granted unlisted options over 500,000 unissued ordinary shares to one employee of the consolidated entity, at an exercise price of \$2.22 per option. The options were issued free of charge to this employee. This employee, Karen Bozic, later became an executive director of Rebel on 22 May 2003. Using the Black-Scholes Option Pricing Formula, the options issued were valued at \$0.49 per option, or \$247,000 in total.

In the prior period, Rebel granted unlisted options over 40,000 unissued ordinary shares to one employee of Rebel, at an exercise price of \$0.92 per option.

Subsequent to balance date, Rebel granted unlisted options over 450,000 ordinary shares to three senior executives of Rebel, at an exercise price of \$2.46 per option. These options were issued free of charge to these employees.

Under the Employee Option Incentive Scheme, each of the outstanding options will lapse after five years from the date of issue and are exercisable as follows:

- In the first year after the issue, no options will be exercisable.
- In the second year after the issue, 20% of the options will become exercisable.
- In each successive year, 20% of the options will become exercisable.
- The right to exercise the options is cumulative.
- All of the unexercised options become exercisable thirty days before the fifth anniversary of the issue of the options.

If a relevant employee leaves the employment of Rebel within one year of commencing employment, all of the options held by that relevant employee will lapse. For employees with greater than one year's service, any unexercised options will lapse thirty days after an employee ceases employment with Rebel. During the year ended 30 June 2003, 81,000 (2002: 323,000) options issued to six (2002: twelve) employees whose employment terminated, were cancelled.

Options Issued to Directors of Rebel Sport Limited

For details on options issued to the directors of Rebel, refer to Note 26. Contributed Equity (Rebel Sport Limited section).

Options issued to employees or directors are not transferable without approval by the Board of Rebel and are not quoted on the ASX. Upon exercise, each outstanding option entitles the holder to subscribe for one fully paid ordinary share in Rebel.

The following table summarises information about options exercised by employees and directors of Rebel under the Employee Option Incentive Scheme during the year 30 June 2003:

Grant Date	Exercise Date	Number of Options	Average Exercise Price	Proceeds from Shares Issued \$	Number of Shares Issued	Issue Date	Average Fair Value of Shares Issued
Employees							
Various	Various	255,000	\$0.82	209,000	255,000	Various	\$2.06
Directors							
H. Seskin							
3/08/2001	21/03/2003	400,000	\$0.38	152,000	400,000	21/03/2003	\$1.98
I. Dresner							
3/08/2001	16/09/2002	800,000	\$0.67	536,000	800,000	16/09/2002	\$2.33
3/08/2001	16/09/2002	400,000	\$0.38	152,000	400,000	16/09/2002	\$2.33
		1,855,000		1,049,000	1,855,000		

Subsequent to balance date, 50,000 options have been exercised by employees, resulting in the issue of 50,000 ordinary shares.

Notes to the Financial Statements (continued)

30. Employee Benefits (continued)

Employee Option Incentive Scheme for Rebel (continued)

The following table summarises information about options exercised by employees and directors of Rebel under the Employee Option Incentive Scheme during the year ended 30 June 2002:

Grant Date	Exercise Date	Number of Options	Average Exercise Price	Proceeds from Shares Issued \$	Number of Shares Issued	Issue Date	Average Fair Value of Shares Issued
Employees							
Various	Various	974,000	\$0.99	968,000	1,122,160	Various	\$1.65
Directors							
H. Seskin							
3/08/2001	24/04/2002	400,000	\$0.20	80,000	400,000	24/04/2002	\$2.30
3/08/2001	24/04/2002	400,000	\$0.01	4,000	400,000	24/04/2002	\$2.30
I. Dresner							
3/08/2001	24/04/2002	400,000	\$0.20	80,000	400,000	24/04/2002	\$2.30
3/08/2001	24/04/2002	400,000	\$0.01	4,000	400,000	24/04/2002	\$2.30
		2,574,000		1,136,000	2,722,160		

The fair value of shares issued is estimated to be the market price of shares of Rebel as at close of trading on their respective issue dates.

At balance date, the following options over unissued ordinary shares were outstanding and vested (or able to be exercised) by employees and directors under the Employee Option Incentive Scheme for Rebel Sports Limited:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2003	2002	2003	2002
02/03/1999	02/03/2004	\$0.82	500,000	808,000	332,000	330,000
03/07/2000	03/07/2005	\$0.82	157,000	185,000	58,000	45,000
03/08/2001*	03/08/2006	\$0.67	800,000	1,600,000	800,000	1,600,000
03/08/2001*	03/08/2006	\$0.38	-	800,000	-	800,000
10/10/2002*	30/09/2007	\$0.83	3,000,000	-	-	-
10/10/2002*	30/09/2007	\$1.75	400,000	-	-	-
04/04/2003*	04/04/2008	\$2.22	500,000	-	-	-
			5,357,000	3,393,000	1,190,000	2,775,000

*Options issued to individuals who are or have been directors of Rebel Sports Limited.

Employee Share Plan

At the Annual General Meeting of Rebel held on 8 August 1995, an Employee Share Plan ("Plan") was approved by shareholders. Under the terms of the Plan, the directors of Rebel may propose in each financial year to issue ordinary shares to eligible employees, up to 500 ordinary shares per employee. All permanent employees of Rebel, excluding directors, with longer than one year service with the consolidated entity are classified as eligible employees under the Plan.

There were no ordinary shares issued pursuant to the Plan in the current or previous financial periods.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$	2002 \$	2003 \$	2002 \$
31. Remuneration of Auditors				
Amounts received or due and receivable by Ernst & Young for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	660,163	208,000	-	-
- other services in relation to the entity and any other entity in the consolidated entity (a)	113,018	22,305	-	-
	773,181	230,305	-	-
Amounts received or due and receivable by Andersen for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	-	330,035	-	-
- other services in relation to the entity and any other entity in the consolidated entity	-	1,137,573	-	-
	-	1,467,608	-	-
Amounts received or due and receivable by auditors other than Ernst & Young for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	157,903	45,638	-	-
- other services in relation to the entity and any other entity in the consolidated entity	47,234	11,740	-	-
	205,137	57,378	-	-
	978,318	1,755,291	-	-

(a) These services relate to tax compliance and other assurance related services.

Notes to the Financial Statements (continued)

CONSOLIDATED		PARENT	
2003	2002	2003	2002
\$	\$	\$	\$

32. Directors' and Executives Income

(a) Income of Directors

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:

5,990,003	7,426,428	4,335,030	1,631,105
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The income of directors for the year ended 30 June 2003 includes the current year amortisation amount for options granted to certain directors. The amortisation amount is disclosed in the Directors' Report under Long Term Emoluments.

The income of directors for the previous financial year includes the full value of options granted to the directors during the year ended 30 June 2002.

Options granted as part of remuneration have been valued using the Black-Scholes option price model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The details of the terms, conditions and value of options granted during that period are set out in Note 26 Contributed Equity.

PARENT	
2003	2002
Number	Number

The numbers of directors of the parent entity who were paid, were due to be paid, income (including brokerage, commissions, bonuses, retirement payments and salaries, but excluding prescribed benefits disclosed later in this note under "retirement benefits"), directly or indirectly from the company or any related party, as shown in the following bands, were:

\$20,000	-	\$29,999	2	3
\$50,000	-	\$59,999	1	-
\$140,000	-	\$149,999	-	1
\$250,000	-	\$259,999	-	1
\$260,000	-	\$269,999	2	1
\$270,000	-	\$279,999	1	-
\$300,000	-	\$309,999	-	3
\$500,000	-	\$509,999	1	-
\$1,470,000	-	\$1,479,999	2	-

Notes to the Financial Statements (continued)

32. Directors' and Executives' Income (continued)

CONSOLIDATED		PARENT	
2003	2002	2003	2002
\$	\$	\$	\$

(b) Income of Executives

Remuneration received or due and receivable by executive officers (including executive directors) of the consolidated entity whose remuneration is \$100,000 or more, from entities in the consolidated entity or a related entity, in connection with the management of the affairs of the entities in the consolidated entity whether as an executive officer or otherwise:

9,206,991	12,538,440	4,242,330	1,571,105
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CONSOLIDATED		PARENT	
2003	2002	2003	2002
Number	Number	Number	Number

The number of executive officers (including executive directors) who received, or were due to receive, directly or indirectly from the company, or from any related body corporate, a total remuneration (excluding retirement benefits) in connection with the management of affairs of the company, or any related body corporate, whether as executive officers or otherwise were:

\$100,000	-	\$109,999	4	11	-	-
\$110,000	-	\$119,999	-	7	-	-
\$120,000	-	\$129,999	2	6	-	-
\$130,000	-	\$139,999	1	1	-	-
\$140,000	-	\$149,999	2	4	-	1
\$150,000	-	\$159,999	1	2	-	-
\$160,000	-	\$169,999	1	2	-	-
\$170,000	-	\$179,999	1	2	-	-
\$190,000	-	\$199,999	2	-	-	-
\$210,000	-	\$219,999	-	2	-	-
\$220,000	-	\$229,999	3	1	-	-
\$250,000	-	\$259,999	-	1	-	1
\$260,000	-	\$269,999	2	3	2	1
\$270,000	-	\$279,999	1	-	1	-
\$300,000	-	\$309,999	2	3	-	3
\$310,000	-	\$319,999	1	-	-	-
\$420,000	-	\$429,999	1	-	-	-
\$500,000	-	\$509,999	1	-	1	-
\$970,000	-	\$979,999	1	-	-	-
\$1,470,000	-	\$1,479,999	2	-	2	-
\$2,740,000	-	\$2,749,999	-	2	-	-

The income of executives for the year ended 30 June 2003 includes the current year amortisation for options granted to certain executive directors. The amortisation amount is disclosed in the Directors' Report under Long Term Emoluments.

The income of executives for the previous financial year includes the full value of options granted to the executive directors during the year ended 30 June 2002.

Notes to the Financial Statements (continued)

32. Directors' and Executives' Income (continued)

	CONSOLIDATED		PARENT	
	2003	2002	2003	2002
	\$	\$	\$	\$

(c) Retirement Benefits

The following prescribed benefits were given to a prescribed superannuation fund in connection with the retirement of persons from prescribed offices in relation to a corporation in the consolidated entity during the financial year. Particulars have been summarised as the directors believe that provision of full particulars would be unreasonable given the detail required.

	218,000	161,000	90,000	75,000
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33. Related Party Transactions

(a) Directors

The following persons held the position of director of the parent entity during both financial years unless otherwise stated:

G. Harvey
K.L. Page
R.J. Skippen
A.B. Brew
M.J. Harvey
C.H. Brown
I.J. Norman
J.E. Slack-Smith
S.P. Hauville
K. W. Gunderson-Briggs (appointed 30 June 2003)

	CONSOLIDATED	
	2003	2002
	\$	\$

During the year the following transactions took place with related parties.

(b) Directors' Loans

Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) borrowed money from entities associated with I.J. Norman, R.J. Skippen, M.J. Harvey, A.B. Brew and G. Harvey. Interest is payable at normal commercial rates. These loans are unsecured and repayable at call. Refer to Note 18 for balance of loans outstanding at year end.

Net amounts received from/ (paid back) to entities associated with the above mentioned directors.	(4,155,000)	(70,605,000)
Interest paid/payable	867,000	3,116,000

(c) Other Director Transactions

(i) Legal fees paid to director-related entity:

Legal fees were paid to the firm of which Mr C.H. Brown is a partner for professional services rendered to the group in the normal course of business.

1,903,000	1,333,000
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(ii) Lease of business premises from Ruzden Pty Limited:

The consolidated entity leases business premises at Bundall, Queensland from Ruzden Pty Limited. Mr G. Harvey, Ms K.L. Page, Mr M.J. Harvey, Mr I.J. Norman and Mr A.B. Brew have an equity interest in Ruzden Pty Limited. The lease arrangements were approved by shareholders in the General Meeting held 25 May 1993, and in the General Meeting held 31 August 1999. The lease is subject to normal commercial terms and conditions. Rent paid by the consolidated entity to Ruzden Pty Limited is as disclosed.

3,527,000	2,078,000
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Notes to the Financial Statements (continued)

33. Related Party Transactions (continued)

(iii) Perth City West Retail Complex

By a contract for sale dated 31 October 2000, Gerald Harvey, as to a one half share as tenant in common, and a subsidiary of Harvey Norman Holdings Limited, as to a one half share as tenant in common, purchased the Perth City West retail complex for a purchase price of \$26.6 million. In the financial report for the year ended 30 June 2003 this has been accounted for as a joint venture entity as disclosed in Note 39(b). This transaction was executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transaction was at arm's length. The property was purchased subject to a lease of part of the property in favour of a subsidiary of Harvey Norman Holdings Limited (the "Lessee"). That lease had been granted by the previous owner of the property on arm's length normal terms and conditions. Gerald Harvey is entitled to one half of the rental paid by the Lessee. The amount of rental and outgoings paid by the Lessee to Gerald Harvey and the subsidiary of Harvey Norman Holdings Limited for the year ended 30 June 2003 was \$1.200 million and for the year ended 30 June 2002 was \$1.212 million.

(iv) Byron Bay Everglades Resort

By a contract for sale dated 15 May 2002, Gerald Harvey, as to a one half share as tenant in common, and a subsidiary of Harvey Norman Holdings Limited, as to a one half share as tenant in common, purchased the Byron Bay Everglades Resort for a purchase price of \$7.1 million. In the financial report for the year ended 30 June 2003, this has been accounted for as a joint venture entity as disclosed in Note 39 (b). This transaction was executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transaction was at arms length.

CONSOLIDATED		
	2003 \$	2002 \$
(d) Transactions with other Related Parties		
(i) Income derived by other director-related entities:		
Certain franchises are operated by entities owned or controlled by relatives of directors under normal franchisee terms and conditions. Aggregated net income derived by entities owned or controlled by relatives of directors is as disclosed.	513,000	706,000
(ii) Advertising charges to controlled entities:		
Yoogalu Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) charged Rebel Sports Limited advertising production charges for advertising performed on its behalf. The charges were at normal commercial terms and conditions and have been eliminated on consolidation.	221,000	40,000
Yoogalu Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) charged Pertama Merchandising Pte Ltd (a wholly owned subsidiary of Pertama Holdings Limited) advertising production charges for advertising services performed on its behalf. The charges were at normal commercial terms and conditions and have been eliminated on consolidation.	70,000	20,000
Yoogalu Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) charged Harvey Norman Stores (NZ) Pty Limited advertising production charges for advertising services performed on its behalf. The charges were at normal commercial terms and conditions and have been eliminated on consolidation.	60,000	-

Notes to the Financial Statements (continued)

33. Related Party Transactions (continued)

	CONSOLIDATED	
	2003	2002
	\$	\$
Calardu Berrimah Pty Limited, as trustee for Calardu Berrimah Trust (a wholly owned subsidiary of Harvey Norman Holdings Limited) charged Rebel Sport Limited rent and outgoings for retail premises. The charges were at normal terms and conditions and have been eliminated on consolidation.	138,000	-
Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) paid interest to Rebel Sport Limited on funds that Rebel had deposited with Derni. The interest paid was at normal commercial terms and conditions and has been eliminated on consolidation.	636,000	-

(e) Directors' Shareholdings

	Shares issued by the Parent Entity	
	2003	2002
	Number	Number
	'000	'000
Shares and share options acquired from the entity during the year:		
Ordinary shares	2,067	18,661
Ordinary share options	-	-
Shares and share options disposed of during the year:		
Ordinary shares	15	3,687
Ordinary share options	-	-
Shares and share options held at the end of the year:		
Directly		
Ordinary shares	191,794	189,803
Ordinary share options	14,500	14,500
Indirectly		
Ordinary shares	319,982	319,921

Share options were issued by other entities within the group. For details of share options refer to Note 26.

(f) Ultimate Controlling Entity

The ultimate controlling entity of the consolidated entity is Harvey Norman Holdings Limited, a company incorporated in Australia.

Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

34. Commitments

(a) Capital expenditure contracted for but not provided is payable as follows:

Not later than one year	34,521	35,935	-	-
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(b) Lease expenditure commitments

(i) Finance lease rentals are payable as follows:

Not later than one year	6,897	8,816	-	-
Later than one year but not later than five years	4,787	11,204	-	-
Minimum finance lease payments	11,684	20,020	-	-
Deduct future finance charges	(845)	(1,888)	-	-
Deduct future GST recoverable	(775)	(1,749)	-	-
Total finance lease liabilities	10,064	16,383	-	-
Disclosed as follows:				
Current liabilities (refer Note 18)	5,991	7,053	-	-
Non-current liabilities (refer Note 23)	4,073	9,330	-	-
	10,064	16,383	-	-

Rebel leases certain store fit-out assets, computers, motor vehicles and ski hire equipment under finance leases expiring from one to five years. At the end of the lease term, Rebel has the right to purchase the assets at an agreed residual value. All lease payments are determined at the commencement of the lease and remain fixed for the lease term. The finance lease liabilities are secured by charges over the underlying assets financed (refer to Note 14 for net book value of capitalised lease assets) but rank behind the security held by the bankers of Rebel.

(ii) Operating lease expenditure contracted for is payable as follows:

Not later than one year	95,473	79,225	-	-
Later than one year but not later than five years	285,900	215,311	-	-
Later than five years	163,171	127,226	-	-
	544,544	421,762	-	-
Deduct future GST recoverable	(8,009)	-	-	-
Total operating lease liabilities	536,535	421,762	-	-

Operating leases are entered into as a means of acquiring access to retail property and warehouse facilities. Rental payments are renewed annually in line with rental agreements.

The directors do not consider turnover rents or CPI contingent rentals to be significant, hence, turnover rents are excluded from contingent rentals. The average lease term is 5 - 7 years with the majority of leases having options for further terms. There are no restrictions imposed by lease arrangements on dividends, additional debt or further leasing.

(c) Capital expenditure commitments on behalf of joint ventures are payable as follows:

Not later than one year	5,850	5,000	-	-
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Notes to the Financial Statements (continued)

	CONSOLIDATED		PARENT	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
35. Contingent Liabilities				
Contingent liabilities at balance date, not otherwise provided for in these financial statements are categorised as follows				
Bank performance guarantees given to various councils and other third parties on behalf of the consolidated entity	19,445	19,113	-	-
Termination benefits payable under service agreements with two executive directors of Rebel Sport Limited	-	600	-	-
The parent entity has guaranteed the performance of a number of controlled entities which have entered into leases with other parties.	-	-	348,744	279,209
Total contingent liabilities	19,445	19,713	348,744	279,209

36. Foreign Currency Exposure

Current assets

Amounts receivable in foreign currency which are not effectively hedged:

- New Zealand dollars	72,626	38,601	-	-
- Singaporean dollars	95,798	91,899	-	-
- Slovenian tolar	17,928	6,329	-	-
- United Kingdom pounds	2,446	1,588	-	-
- Euros	2,210	-	-	-

Current liabilities

Amounts payable in foreign currency which are not effectively hedged:

- New Zealand dollars	35,639	14,562	-	-
- Singaporean dollars	42,024	33,826	-	-
- Slovenian tolar	20,148	5,092	-	-
- United Kingdom pounds	5,365	5,195	-	-
- Euros	7,228	-	-	-

Non-current assets

Amounts receivable in foreign currency which are not effectively hedged to a date at least twelve months after balance date:

- New Zealand dollars	100,811	59,245	-	-
- Singaporean dollars	11,652	15,304	-	-
- Slovenian tolar	25,637	21,212	-	-
- United Kingdom pounds	1,761	2,274	-	-
- Euros	4,506	-	-	-

Non-current liabilities

Amounts payable in foreign currency which are not effectively hedged to a date at least twelve months after balance date:

- New Zealand dollars	69,845	38,129	-	-
- Singaporean dollars	-	2,987	-	-
- United Kingdom pounds	42	118	-	-

The Australian dollar equivalents of foreign currency monetary items included in the Statement of Financial Position headings to the extent that they are not effectively hedged, are set out above. These amounts include the payables and receivables of foreign subsidiaries which are not effectively hedged by other foreign currency denominated items.

Notes to the Financial Statements (continued)

37. Financing Arrangements

Companies in the consolidated entity have access to the following financing facilities with a financial institution:

2003 CONSOLIDATED			
	Accessible \$000	Drawn-down \$000	Unused \$000
Bank Bill Standby Arrangements (a)	567,685	386,714	180,971
Bank Overdraft	4,729	-	4,729
Total financing facilities	572,414	386,714	185,700

2002 CONSOLIDATED			
	Accessible \$000	Drawdown \$000	Unused \$000
Bank Bill Standby Arrangements	385,207	281,689	103,518
Bank Overdraft	5,600	-	5,600
Total financing facilities	390,807	281,689	109,118

(a) The consolidated entity has \$300 million of the Bank Bill standby arrangement facility on four fixed interest rate swaps as follows:

<i>Interest Swap Principal</i>	<i>Fixed Interest Rate</i>	<i>Expiry Date</i>
50,000,000	5.09%	2 November 2006
100,000,000	5.59%	26 July 2005
100,000,000	4.99%	9 May 2008
50,000,000	5.97%	9 May 2005

The remaining facilities are subject to annual review. The bank reserves the right to withdraw the facilities if in the opinion of the bank, there have been material adverse changes in the financial condition or operations of the business. The company can cancel the facilities at any review date.

For additional financing facilities not disclosed above, refer to Notes 18 and 33(b) for details in relation to loans by directors to Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) and other financing.

38. Financial Instruments

(a) Objectives for Holding Derivative Financial Instruments

The consolidated entity uses derivative financial instruments to manage specifically identified interest rate and foreign currency risks. The purposes for which specific derivative instruments are used are as follows:

Forward exchange contracts are purchased to hedge the Australian dollar value of purchases of products denominated in foreign currency.

Interest rate swap agreements are used to convert floating rate exposures on certain debt to fixed rates. These swaps entitle the consolidated entity to receive, or oblige it to pay, the amounts, if any, by which actual interest payments on nominated loan amounts exceed or fall below specified interest amounts.

Notes to the Financial Statements (continued)

38. Financial Instruments (continued)

(b) Interest Rate Risk Exposures

The consolidated entity is exposed to interest rate risk through primary financial assets and liabilities, modified through derivative financial instruments such as interest rate and cross currency swaps. The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at balance date.

2003	Principal Subject to Floating interest rate (a) \$000	Fixed interest rate maturing in				Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- interest bearing \$000		Floating	Fixed
Financial assets								
Cash	26,024	-	-	-	945	26,969	1.3% – 4.6%	-
Consumer finance loans	-	11	165	-	2,916	3,092	-	9.0%
Finance lease receivables	19,880	-	-	-	-	19,880	8.0% – 12.0%	-
Trade debtors	-	-	-	-	616,551	616,551	-	-
Other financial assets	-	-	-	-	24,837	24,837	-	-
Non-trade debtors & loans	27,363	582	-	-	2,089	30,034	7.0% – 12.0%	9.5%
	73,267	593	165	-	647,338	721,363		
Financial liabilities								
Bank overdraft	5,685	171	-	-	-	5,856	2.8% - 9.1%	5.5%
Payables	-	-	-	-	429,335	429,335	-	-
Bills payable	386,714	-	-	-	-	386,714	4.9% - 6.6%	-
Finance lease liabilities	-	5,991	4,073	-	-	10,064	-	6.0% – 8.1%
Hire purchase liabilities	-	-	-	-	-	-	-	-
Interest rate swaps	(300,000)	-	300,000	-	-	-	-	4.99% – 5.6%
Other loans	10,057	-	-	-	3,828	13,885	5.2%	-
	102,456	6,162	304,073	-	433,163	845,854		
2002	Principal Subject to Floating interest rate (a) \$000	Fixed interest rate maturing in				Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- interest bearing \$000		Floating	Fixed
Financial assets								
Cash	29,501	-	-	-	763	30,264	2.6% – 4.37%	-
Consumer finance loans	-	1	30	-	6,226	6,257	-	9%
Finance lease receivables	17,356	-	-	-	-	17,356	9% – 12%	-
Trade debtors	-	-	-	-	529,229	529,229	-	-
Other financial assets	-	7,970	-	-	21,366	29,336	-	4.86%
Non-trade debtors & loans	22,214	-	-	-	8,557	30,771	6.3% – 12%	-
	69,071	7,971	30	-	566,141	643,213		
Financial liabilities								
Bank overdraft	7,270	-	-	-	-	7,270	2.6%-4.37%	-
Payables	-	-	-	-	395,223	395,223	-	-
Bills payable	281,689	-	-	-	-	281,689	4.66%	-
Finance lease liabilities	-	6,994	9,389	-	-	16,383	-	8% – 9%
Hire purchase liabilities	-	32	16	-	-	48	-	7.94%
Interest rate swaps	(100,000)	-	100,000	-	-	-	-	5.09%–5.97%
Other loans	14,879	-	-	-	2,724	17,603	4.7%	-
	203,838	7,026	109,405	-	397,947	718,216		

Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.

Notes to the Financial Statements (continued)

38. Financial Instruments (continued)

(c) Foreign Exchange

The following table summarises by currency the Australian dollar value of forward foreign exchange agreements. Foreign currency amounts are translated at rates current at the reporting date. The 'buy' amounts represent the Australian dollar equivalent of commitments to purchase foreign currencies. Contracts to buy and sell foreign currency are entered into from time to time to offset purchase and sale obligations so as to maintain a properly hedged position.

	CONSOLIDATED					
	Average Exchange Rate		2003		2002	
	2003	2002	Buy \$000	Sell \$000	Buy \$000	Sell \$000
Currency						
Euro						
6 months or less	56.71	-	1,712	-	-	-
US Dollar						
4 months or less	61.56	54.20	8,636	-	186	-
Canadian Dollar						
4 months or less	-	85.11	-	-	1,169	-
Total			10,348	-	1,355	-

(d) Net fair value of financial assets and liabilities

The carrying amounts of trade receivables, trade creditors, bank loans, investment securities (current) and outstanding forward foreign exchange contracts approximate their fair values.

The carrying amounts and estimated net fair values of other financial assets (and financial liabilities) held at balance date are given below. Short term instruments where carrying amounts approximate net fair values, are omitted. The net fair value of a financial asset (or a financial liability) is the amount at which the asset could be exchanged, or liability settled in a current transaction between willing parties after allowing for transaction costs.

	CONSOLIDATED			
	2003		2002	
	Carrying amount per Statement of Financial Position \$000	Net Fair Value \$000	Carrying amount per Statement of Financial Position \$000	Net Fair Value \$000
Financial assets:				
Other financial assets				
current	-	-	-	-
non-current	6,934	11,790	6,478	11,594
Financial liabilities:				
Interest-Bearing Liabilities				
Interest Rate Swap	300,000	295,736	100,000	101,156

The carrying amounts shown in the table are included in the Statement of Financial Position under the indicated captions. In the current year, investment securities carried at cost in "Other Financial Assets" (Non-Current) are:

- Briscoe Group Limited, with a carrying value of \$4,583,552 and a net fair value, based on the market value at 30 June 2003, of \$9,440,093.
- Gazal Corporation Limited, with a carrying value and net fair value of \$2,350,000.

The interest rate swaps are recorded in the books at \$300,000,000 and the fair value, based on the market value at 30 June 2003, is \$295,736,109 (2002: \$101,155,969 on a fixed interest rate swap of \$100 million).

The following methods and assumptions were used to estimate the net fair value of each class of financial instrument:

Notes to the Financial Statements (continued)

38. Financial Instruments (continued)

Investment securities

The net fair values of listed investments are based on quoted market bid prices less estimated disposal costs which are expected to be minimal.

Interest rate swap

The net fair value is estimated by discounting the anticipated future cash flows to their present value, based on interest rates existing at the respective balance dates.

(e) Credit risk exposure

The consolidated entity's exposures to on balance sheet credit risk are as indicated by the carrying amounts of its financial assets. The consolidated entity does not have a significant exposure to any individual counterparty.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various countries and industries.

The major geographic concentration of credit risk arises from the location of the counterparties to the consolidated entity's financial assets as shown in the following table:

Location of credit risk	Consolidated	
	2003 \$000	2002 \$000
Australia	631,109	578,428
New Zealand	15,493	10,289
Singapore	66,206	50,346
Slovenia	7,477	3,967
United Kingdom	944	183
Ireland	134	-
Total	721,363	643,213

Credit risk on financial assets is spread over the financial services and retail industries.

Notes to the Financial Statements (continued)

	CONSOLIDATED Investment		CONSOLIDATED Share of net profit/(loss)	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000

39. Associates and Joint Venture Entities

Partnerships	-	1,538	-	(492)
Joint venture entities	47,520	40,849	1,948	1,371
Associates	-	-	-	-
Total accounted for using equity method	47,520	42,387	1,948	879

Investments in Partnerships:

Details of material interests in partnerships are as follows:

Name and Principal activities	Ownership interest		Carrying amount	
	2003	2002	CONSOLIDATED 2003 \$000	2002 \$000
Lighting Partnership (a) - Lighting retail business	99.9%	50%	-	1,538
			-	1,538

Financial Summary of Partnerships

	CONSOLIDATED	
	2003 \$000	2002 \$000
Current assets	-	3,077
Non-current assets	-	-
Current liabilities	-	(3,515)
Non-current liabilities	-	(20)
Net Assets/(Liabilities)	-	(458)
Revenues	-	3,019
Expenses	-	(3,511)
Loss from ordinary activities before income tax expense	-	(492)
Income tax expense relating to ordinary activities	-	-
Net loss	-	(492)
Share of net loss of partnerships	-	(492)

(a) In 2002 the consolidated entity had a 50% ownership interest in the Lighting Partnership. The Lighting Partnership was equity accounted in 2002 as the consolidated entity did not have control over the financial and operating decisions of the partnership. During 2003, the consolidated entity's ownership interest in the Lighting Partnership had increased to 99.9% resulting in effective control over financing and operating decisions. The results of the partnership have been consolidated in accordance with AASB 1024 "Principles of Consolidation" for the year ended 30 June 2003.

Notes to the Financial Statements (continued)

39. Details of Associates and Joint Venture Entities (continued)

Investments in joint venture entities:

Details of material interests in joint venture entities are as follows:

Name and Principal activities	Ownership Interest		Contribution to Net Profit/(Loss)	
	2003 %	2002 %	2003 \$000	2002 \$000
Noarlunga Shopping complex	50%	50%	(45)	(305)
Warwick Shopping complex	33.33%	33.33%	65	102
Perth City West Shopping complex	50%	50%	729	912
Bathurst Shopping complex and warehouse	50%	50%	57	115
Kelso Development of land for resale	50%	50%	252	(72)
Tweed Heads – Stage 1 Shopping complex	50%	50%	540	396
Warrawong (a) Shopping complex	62.5%	62.5%	304	264
Tweed Heads Traders Way Building development	50%	50%	(6)	(17)
Sylvania Residential development	40%	40%	1	(16)
Byron Bay Residential/convention development	50%	50%	(5)	(8)
Warrawong 151 – 155 King St (a) Shopping complex	62.5%	-	(5)	-
Warrawong Homestarters Retail shop	50%	50%	61	-
			1,948	1,371

These joint ventures have not been consolidated as the consolidated entity does not have control over operating and financing decisions, and all joint venture parties participate equally in decision making.

Notes to the Financial Statements (continued)

39. Details of Associates and Joint Venture Entities (continued)

Aggregate carrying amounts of joint entities

CONSOLIDATED 2003				
	Retained Profits \$000	Other Reserves \$000	Cost \$000	Total carrying amount \$000
Balance at the beginning of the year	-	1,469	39,380	40,849
Movements during the year:				
Investments acquired	-	-	6,187	6,187
Reclassification of Bennetts Green to Fixed Assets	-	(395)	(2,081)	(2,476)
Revaluation of Share of Land in Joint Venture during the current year	-	2,960	-	2,960
Share of net profit	1,948	-	-	1,948
Share of net profits received and receivable	(1,948)	-	-	(1,948)
Balance at the end of the year	-	4,034	43,486	47,520

CONSOLIDATED 2002				
	Retained Profits \$000	Other Reserves \$000	Cost \$000	Total carrying amount \$000
Balance at the beginning of the year	-	1,469	33,015	34,484
Movements during the year:				
Investments acquired	-	-	6,365	6,365
Share of net profit	1,371	-	-	1,371
Share of net profits received and receivable	(1,371)	-	-	(1,371)
Balance at the end of the year	-	1,469	39,380	40,849

Financial summary of joint venture entities

CONSOLIDATED		
	2003 \$000	2002 \$000
Current assets	26,815	950
Non-current assets	62,770	82,351
Current liabilities	(107)	(3,511)
Non-current liabilities	-	(2,382)
Net Assets	89,478	77,408
Revenues	8,395	8,273
Expenses	(4,831)	(4,628)
Profit from ordinary activities before income tax expense	3,564	3,645
Income tax expense relating to ordinary activities	-	-
Net profit	3,564	3,645
Share of net profit of joint venture entities	1,948	1,371

Notes to the Financial Statements (continued)

39. Details of Associates and Joint Venture Entities (continued)

Investments in associated entities:

Details of material interests in associates are as follows:

Name and Principal activities	Ownership Interest		CONSOLIDATED Carrying amount	
	2003 %	2002 %	2003 %	2002 %
Misstar Pty Ltd (A) Agent Company for lighting partnership stores	99.9%	50%	-	-
Bossee Pty Ltd Buying Agent for lighting partnership stores	50%	50%	-	-

Aggregate carrying amounts of associates

The aggregate carrying amounts of associates is \$4 (2002: \$4).

Financial summary of associates

	CONSOLIDATED	
	2003 \$000	2002 \$000
Current assets	1,173	1,168
Non-current assets	-	-
Current liabilities	(23)	(18)
Non-current liabilities	(1,150)	(1,150)
Net Assets	-	-
Revenues	269	304
Expenses	(269)	(304)
Profit from ordinary activities before income tax expense	-	-
Income tax expense relating to ordinary activities	-	-
Net profit	-	-
Share of net profit of associated entities	-	-

(A) Due to increase in percentage ownership during the current year, this entity has been consolidated as at 30 June 2003

40. Controlled Entities and Unit Trusts

Shares held by Harvey Norman Holdings Limited

The following companies are 100% owned by Harvey Norman Holdings Limited and incorporated in Australia unless marked otherwise. The financial years of all controlled entities are the same as that of the parent entity.

Name

250 Brompton Road Limited^{1,12,14}
A.C.N. 098 004 570 Pty Limited¹
Abari Pty Limited^{1,6}
Achiever Computers Pty Ltd¹
Albwood Pty Limited^{1,6,7}
Aloku Pty Limited
Anwarah Pty Limited
Applect Pty Limited^{1,6,7}
Apptoo Pty Limited^{1,6}
Arisit Pty Limited^{1,2,18}
Arlenu Pty Limited
Armidale Holdings Pty Limited^{1,22}
Arpayo Pty Limited
Aubdirect Pty Limited¹
Auburnapp Pty Limited^{1,6,7}
Auburnbed Pty Limited^{1,6,7}
Australian Business Skills Centre Pty Limited^{1,6}
Balwondy Pty Limited
Barrayork Pty Limited¹
Becto Pty Limited¹⁹
Beddington Pty Limited^{1,6,7}
Bellevue Hill Pty Limited¹
Belmcom Pty Limited^{1,6}
Bernlect Pty Limited^{1,6}
Bestest Pty Limited
Bossee Pty Limited^{1,2}
Bradiz Pty Limited
Braxpine Pty Limited
Broadmall Pty Limited^{1,7}
Bundall Computers Pty Limited^{1,7}
Bundallbed Pty Limited^{1,6}
Bundcomm Pty Limited^{1,6}
Caesar Mosaics Pty Limited^{1,6}
Cairnsel Pty Limited^{1,6,7}
Calardu Pty Limited
Calardu Alexandria DM Pty Limited
Calardu Alice Springs Pty Limited¹
Calardu Armadale WA Pty Limited¹
Calardu Armidale Pty Limited¹
Calardu Auburn Pty Limited¹
Calardu Ballarat Pty Limited¹
Calardu Ballina Pty Limited¹
Calardu Bathurst Pty Limited¹
Calardu Beaufort Street Pty Limited^{1,6}
Calardu Belrose DM Pty Limited¹
Calardu Berri (SA) Pty Limited¹
Calardu Berrimah Pty Limited¹
Calardu Broadmeadow Pty Limited¹
Calardu Broadmeadows VIC Pty Limited^{1,6}
Calardu Browns Plains Pty Limited^{1,6}
Calardu Bunbury (WA) Pty Limited
Calardu Bundall Pty Limited¹
Calardu Campbelltown Pty Limited¹
Calardu Cannington Pty Limited

Name

Calardu Caringbah Pty Limited¹
Calardu Caringbah (Taren Point) Pty Limited¹
Calardu Chatswood Pty Limited¹
Calardu Crows Nest Pty Limited¹
Calardu Darwin Pty Limited¹
Calardu Frankston Pty Limited¹
Calardu Fyshwick DM Pty Limited¹
Calardu Gordon Pty Limited¹
Calardu Guildford Pty Limited¹
Calardu Hobart Pty Limited¹
Calardu Hoppers Crossing Pty Limited¹
Calardu Horsham Pty Limited¹
Calardu Joondalup Pty Limited
Calardu Kalgoorlie Pty Limited¹
Calardu Karana Downs Pty Limited¹
Calardu Kemblawarra Pty Limited¹
Calardu Launceston Pty Limited¹
Calardu Loganholme Pty Limited¹
Calardu Maitland Pty Limited¹
Calardu Mandurah Pty Limited¹
Calardu Maribyrnong Pty Limited
Calardu Marion Pty Limited
Calardu Maryborough Pty Limited¹
Calardu Melville Pty Limited
Calardu Mentone Pty Limited^{1,6}
Calardu Midland Pty Limited^{1,6}
Calardu Milton Pty Limited¹
Calardu Morayfield Pty Limited¹
Calardu Moss Vale Pty Limited¹
Calardu Mount Isa Pty Limited¹
Calardu Mt Gambier Pty Limited¹
Calardu Mudgee Pty Limited¹
Calardu Munno Para Pty Limited¹
Calardu Noarlunga Pty Limited¹
Calardu Noosa Pty Limited
Calardu North Ryde Pty Limited¹
Calardu Northbridge Pty Limited⁶
Calardu Nowra Pty Limited¹
Calardu Penrith Pty Limited
Calardu Perth City West Pty Limited¹
Calardu Port Macquarie Pty Limited
Calardu Preston Pty Limited
Calardu Queensland Pty Limited
Calardu Richmond Pty Limited
Calardu Rockingham Pty Limited
Calardu Roselands Pty Limited¹
Calardu Sale Pty Limited¹
Calardu Silverwater Pty Limited^{1,6}
Calardu South Australia Pty Limited
Calardu Swan Hill Pty Limited^{1,6}
Calardu Sylvania Pty Limited¹
Calardu Taree Pty Limited¹
Calardu Thebarton Pty Limited¹
Calardu Tweed Heads Pty Limited

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

Calardu Tweed Heads Traders Way Pty Limited¹
 Calardu Vicfum Pty Limited¹
 Calardu Victoria Pty Limited
 Calardu Warrawong Pty Limited¹
 Calardu Warrawong (Homestarters) Pty Limited¹
 Calardu Warrnambool Pty Limited
 Calardu Warwick Pty Limited¹
 Calardu West Gosford Pty Limited¹
 Calardu Whyalla Pty Limited¹
 Calardu Wivenhoe Pty Limited¹
 Canncomp Pty Limited^{1,6,7}
 Canntapp Pty Limited^{1,6}
 Canntur Pty Limited^{1,7}
 Cardfum Pty Limited^{1,6}
 Carinel Pty Limited^{1,6}
 Caringel Pty Limited^{1,6,7}
 Carlando Pty Limited
 Charmela Pty Limited
 Cityfum Pty Limited^{1,6,7}
 Clambruno Pty Limited
 Comborne Pty Limited^{1,7}
 Combun WA Pty Limited^{1,6,7}
 Comkalg Pty Limited^{1,6,7}
 Compcall Pty Limited^{1,6,7}
 Comtown Pty Limited^{1,6,7}
 Connorfum Pty Limited^{1,6,7}
 Connrapp Pty Limited^{1,7}
 Cropp Pty Limited¹
 D.M. Alexandria Franchisor Pty Limited^{1,6}
 D.M. Alexandria Leasing Pty Limited^{1,6}
 D.M. Auburn Franchisor Pty Limited
 D.M. Auburn Leasing Pty Limited¹
 D.M. Bundall Franchisor Pty Limited
 D.M. Bundall Leasing Pty Limited¹
 D.M. Fyshwick Franchisor Pty Limited⁶
 D.M. Fyshwick Leasing Pty Limited^{1,6}
 D.M. Kotara Franchisor Pty Limited
 D.M. Kotara Leasing Pty Limited¹
 D.M. Liverpool Franchisor Pty Limited
 D.M. Liverpool Leasing Pty Limited¹
 D.M. Penrith Franchisor Pty Limited
 D.M. Penrith Leasing Pty Limited¹
 D.M. QVH Franchisor Pty Limited^{1,6}
 D.M. QVH Leasing Pty Limited^{1,6}
 D.M. Warrawong Franchisor Pty Limited
 D.M. Warrawong Leasing Pty Limited¹
 Daldere Pty Limited
 Dalel Pty Limited^{1,7}
 Dandolena Pty Limited
 Darwinel Pty Limited^{1,6,7}
 Derni Pty Limited
 Divonda Pty Limited
 Domain Holdings Pty Limited¹
 Domayne Holdings Limited^{1,8,9}
 Domayne Pty Limited¹
 Domayne Online.com Pty Limited¹
 Domayne P.E.M. Pty Limited
 Domayne Plant & Equipment Pty Limited

Name

Durslee Pty Limited
 Edbrook Pty Limited⁵
 Edbrook Everton Park Pty Limited¹
 Elbunda Pty Limited^{1,7}
 Electbern Pty Limited^{1,7}
 Electpark Pty Limited^{1,6,7}
 Electway Pty Limited^{1,7}
 Elgrav Pty Limited^{1,6}
 Emohy Pty Limited^{1,6,7}
 Enbed Pty Limited^{1,7}
 Encomputers Pty Limited^{1,6,7}
 Everlect Pty Limited^{1,6,7}
 Evertoncomp Pty Limited^{1,6,7}
 Evfum Pty Limited^{1,6,7}
 Evtel Pty Limited^{1,7}
 Farane Pty Limited
 Fieldcom Pty Limited^{1,6,7}
 Flormonda Pty Limited
 Forgetful Pty Limited¹
 Fremcom Pty Limited^{1,6,7}
 Furncairn Pty Limited^{1,6,7}
 Furnliv Pty Limited^{1,6,7}
 Furnpark Pty Limited^{1,6,7}
 Galdcom Pty Limited^{1,6}
 Gambcom Pty Limited^{1,6,7}
 Ganoru Pty Limited
 Generic Publications Pty Limited^{1,6}
 Geraldton WA Pty Limited¹
 Gerel Pty Limited^{1,6,7}
 Gestco Pty Limited
 Gestco Greensborough Pty Limited
 Gladstone Retailers Pty Limited^{1,6,7}
 Gladstores Pty Limited^{1,6,7}
 Glo Light Pty Limited^{1,23}
 H.N. Adelaide CK Franchisor Pty Limited⁶
 H.N. Adelaide CK Leasing Pty Limited^{1,6}
 H.N. Albany Franchisor Pty Limited
 H.N. Albany Leasing Pty Limited¹
 H.N. Albury Franchisor Pty Limited
 H.N. Albury Leasing Pty Limited¹
 H.N. Armadale WA Franchisor Pty Limited^{1,6}
 H.N. Armadale WA Leasing Pty Limited^{1,6}
 H.N. Armidale Franchisor Pty Limited
 H.N. Armidale Leasing Pty Limited¹
 H.N. Aspley Franchisor Pty Limited
 H.N. Aspley Leasing Pty Limited¹
 H.N. Auburn Franchisor Pty Limited
 H.N. Auburn Leasing Pty Limited¹
 H.N. Ayr Franchisor Pty Limited
 H.N. Ayr Leasing Pty Limited¹
 H.N. Bairnsdale Franchisor Pty Limited
 H.N. Bairnsdale Leasing Pty Limited¹
 H.N. Balgowlah Franchisor Pty Limited
 H.N. Balgowlah Leasing Pty Limited¹
 H.N. Ballarat Franchisor Pty Limited
 H.N. Ballarat Leasing Pty Limited¹
 H.N. Bathurst Franchisor Pty Limited
 H.N. Bathurst Leasing Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
H.N. Belmont Franchisor Pty Limited	H.N. Fremantle Leasing Pty Limited ¹
H.N. Belmont Leasing Pty Limited ¹	H.N. Fyshwick Franchisor Pty Limited
H.N. Bendigo Franchisor Pty Limited	H.N. Fyshwick Leasing Pty Limited ¹
H.N. Bendigo Leasing Pty Limited ¹	H.N. Geelong Franchisor Pty Limited
H.N. Bernoth Franchisor Pty Limited	H.N. Geelong Leasing Pty Limited ¹
H.N. Bernoth Leasing Pty Limited ¹	H.N. Geraldton Leasing Pty Limited ¹
H.N. Bernoth Plant & Equipment Pty Limited	H.N. Geraldton WA Franchisor Pty Limited
H.N. Blacktown Franchisor Pty Limited	H.N. Gladstone Franchisor Pty Limited
H.N. Blacktown Leasing Pty Limited ¹	H.N. Gladstone Leasing Pty Limited ¹
H.N. Broadway on the Mall Franchisor Pty Limited	H.N. Gordon Franchisor Pty Limited
H.N. Broadway on the Mall Leasing Pty Limited ¹	H.N. Gordon Leasing Pty Limited ¹
H.N. Broadway (Sydney) Franchisor Pty Limited	H.N. Gosford Leasing Pty Limited ¹
H.N. Broadway (Sydney) Leasing Pty Limited ¹	H.N. Grafton Franchisor Pty Limited
H.N. Browns Plains Franchisor Pty Limited	H.N. Grafton Leasing Pty Limited ¹
H.N. Browns Plains Leasing Pty Limited ¹	H.N. Greensborough Franchisor Pty Limited
H.N. Bunbury Franchisor Pty Limited	H.N. Greensborough Leasing Pty Limited ¹
H.N. Bunbury Leasing Pty Limited ¹	H.N. Griffith Franchisor Pty Limited
H.N. Bundaberg Franchisor Pty Limited	H.N. Griffith Leasing Pty Limited ¹
H.N. Bundaberg Leasing Pty Limited ¹	H.N. Hamilton Franchisor Pty Limited
H.N. Bundall Franchisor Pty Limited	H.N. Hamilton Leasing Pty Limited ¹
H.N. Bundall Leasing Pty Limited ¹	H.N. Hervey Bay Franchisor Pty Limited
H.N. Busselton Franchisor Pty Limited	H.N. Hervey Bay Leasing Pty Limited ¹
H.N. Busselton Leasing Pty Limited ¹	H.N. Hoppers Crossing Franchisor Pty Limited ⁶
H.N. Cairns Franchisor Pty Limited	H.N. Hoppers Crossing Leasing Pty Limited ^{1,6}
H.N. Cairns Leasing Pty Limited ¹	H.N. Indooroopilly Franchisor Pty Limited
H.N. Campbelltown Franchisor Pty Limited	H.N. Indooroopilly Leasing Pty Limited ¹
H.N. Campbelltown Leasing Pty Limited ¹	H.N. Innisfail Franchisor Pty Limited
H.N. Cannington W.A. Franchisor Pty Limited	H.N. Innisfail Leasing Pty Limited ¹
H.N. Cannington W.A. Leasing Pty Limited ¹	H.N. Inverell Franchisor Pty Limited
H.N. Carindale Franchisor Pty Limited	H.N. Inverell Leasing Pty Limited ¹
H.N. Carindale Leasing Pty Limited ¹	H.N. Joondalup Franchisor Pty Limited
H.N. Caringbah Franchisor Pty Limited	H.N. Joondalup Leasing Pty Limited ¹
H.N. Caringbah Leasing Pty Limited ¹	H.N. Kalgoorlie Franchisor Pty Limited
H.N. Chatswood Franchisor Pty Limited	H.N. Kalgoorlie Leasing Pty Limited ¹
H.N. Chatswood Leasing Pty Limited ¹	H.N. Karratha Franchisor Pty Limited
H.N. City West Franchisor Pty Limited	H.N. Karratha Leasing Pty Limited ¹
H.N. City West Leasing Pty Limited ¹	H.N. Kawana Waters Franchisor Pty Limited
H.N. Coffs Harbour Franchisor Pty Limited	H.N. Kawana Waters Leasing Pty Limited ¹
H.N. Coffs Harbour Leasing Pty Limited ¹	H.N. Knox Towerpoint Franchisor Pty Limited
H.N. Cranbourne Franchisor Pty Limited	H.N. Knox Towerpoint Leasing Pty Limited ¹
H.N. Cranbourne Leasing Pty Limited ¹	H.N. Leichhardt Franchisor Pty Limited
H.N. Dalby Franchisor Pty Limited	H.N. Leichhardt Leasing Pty Limited ¹
H.N. Dalby Leasing Pty Limited ¹	H.N. Lismore Franchisor Pty Limited
H.N. Dandenong Franchisor Pty Limited	H.N. Lismore Leasing Pty Limited ¹
H.N. Dandenong Leasing Pty Limited ¹	H.N. Liverpool Franchisor Pty Limited
H.N. Darwin Franchisor Pty Limited	H.N. Liverpool Leasing Pty Limited ¹
H.N. Darwin Leasing Pty Limited ¹	H.N. Loughran Contracting Pty Limited ¹
H.N. Deniliquin Franchisor Pty Limited	H.N. Mackay Franchisor Pty Limited
H.N. Deniliquin Leasing Pty Limited ¹	H.N. Mackay Leasing Pty Limited ¹
H.N. Dubbo Franchisor Pty Limited	H.N. Maddington Franchisor Pty Limited
H.N. Dubbo Leasing Pty Limited ¹	H.N. Maddington Leasing Pty Limited ¹
H.N. Enfield Franchisor Pty Limited	H.N. Maitland Franchisor Pty Limited
H.N. Enfield Leasing Pty Limited ¹	H.N. Maitland Leasing Pty Limited ¹
H.N. Everton Park Franchisor Pty Limited	H.N. Mandurah Franchisor Pty Limited
H.N. Everton Park Leasing Pty Limited ¹	H.N. Mandurah Leasing Pty Limited ¹
H.N. Fortitude Valley Franchisor Pty Limited ⁶	H.N. Maribyrnong Franchisor Pty Limited
H.N. Fortitude Valley Leasing Pty Limited ^{1,6}	H.N. Maribyrnong Leasing Pty Limited ¹
H.N. Fremantle Franchisor Pty Limited	H.N. Marion Franchisor Pty Limited

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

H.N. Marion Leasing Pty Limited¹
 H.N. Maroochydore Franchisor Pty Limited⁶
 H.N. Maroochydore Leasing Pty Limited^{1,6}
 H.N. Martin Place Sydney Franchisor Pty Limited^{1,6}
 H.N. Martin Place Sydney Leasing Pty Limited^{1,6}
 H.N. Midland Franchisor Pty Limited
 H.N. Midland Leasing Pty Limited¹
 H.N. Mildura Franchisor Pty Limited
 H.N. Mildura Leasing Pty Limited¹
 H.N. Moe Franchisor Pty Limited
 H.N. Moe Leasing Pty Limited¹
 H.N. Moorabbin Franchisor Pty Limited
 H.N. Moorabbin Leasing Pty Limited¹
 H.N. Moore Park Franchisor Pty Limited
 H.N. Moore Park Leasing Pty Limited¹
 H.N. Morayfield Franchisor Pty Limited
 H.N. Morayfield Leasing Pty Limited¹
 H.N. Moree Leasing Pty Limited¹
 H.N. Morley Franchisor Pty Limited
 H.N. Morley Leasing Pty Limited¹
 H.N. Moss Vale Franchisor Pty Limited
 H.N. Moss Vale Leasing Pty Limited¹
 H.N. Mt Gambier Franchisor Pty Limited
 H.N. Mt Gambier Leasing Pty Limited¹
 H.N. Mt Gravatt Franchisor Pty Limited
 H.N. Mt Gravatt Leasing Pty Limited¹
 H.N. Mudgee Franchisor Pty Limited
 H.N. Mudgee Leasing Pty Limited¹
 H.N. Munno Para Franchisor Pty Limited
 H.N. Munno Para Leasing Pty Limited¹
 H.N. Newcastle Franchisor Pty Limited
 H.N. Newcastle Leasing Pty Limited¹
 H.N. Noarlunga Franchisor Pty Limited
 H.N. Noarlunga Leasing Pty Limited¹
 H.N. Noosa Franchisor Pty Limited
 H.N. Noosa Leasing Pty Limited¹
 H.N. Nowra Franchisor Pty Limited
 H.N. Nowra Leasing Pty Limited¹
 H.N. Nunawading Franchisor Pty Limited
 H.N. Nunawading Leasing Pty Limited¹
 H.N. O'Connor Franchisor Pty Limited
 H.N. O'Connor Leasing Pty Limited¹
 H.N. Oakleigh CK Franchisor Pty Limited^{1,6}
 H.N. Oakleigh CK Leasing Pty Limited^{1,6}
 H.N. Orange Franchisor Pty Limited
 H.N. Orange Leasing Pty Limited¹
 H.N. Osborne Park Franchisor Pty Limited
 H.N. Osborne Park Leasing Pty Limited¹
 H.N. Oxley Franchisor Pty Limited
 H.N. Oxley Leasing Pty Limited¹
 H.N. Parkes Franchisor Pty Limited
 H.N. Parkes Leasing Pty Limited¹
 H.N. Penrith Franchisor Pty Limited
 H.N. Penrith Leasing Pty Limited¹
 H.N. Peppermint Grove Franchisor Pty Limited⁶
 H.N. Peppermint Grove Leasing Pty Limited^{1,6}
 H.N. Port Hedland Franchisor Pty Limited
 H.N. Port Hedland Leasing Pty Limited¹

Name

H.N. Port Kennedy Franchisor Pty Limited
 H.N. Port Kennedy Leasing Pty Limited¹
 H.N. Port Macquarie Franchisor Pty Limited
 H.N. Port Macquarie Leasing Pty Limited¹
 H.N. Preston Franchisor Pty Limited
 H.N. Preston Leasing Pty Limited¹
 H.N. Riverwood Franchisor Pty Limited¹
 H.N. Riverwood Leasing Pty Limited¹
 H.N. Rockhampton Franchisor Pty Limited
 H.N. Rockhampton Leasing Pty Limited¹
 H.N. Sale Franchisor Pty Limited
 H.N. Sale Leasing Pty Limited¹
 H.N. Shepparton Franchisor Pty Limited
 H.N. Shepparton Leasing Pty Limited¹
 H.N. South Tweed Franchisor Pty Limited
 H.N. South Tweed Leasing Pty Limited¹
 H.N. Southland Franchisor Pty Limited
 H.N. Southland Leasing Pty Limited¹
 H.N. Swan Hill Franchisor Pty Limited
 H.N. Swan Hill Leasing Pty Limited¹
 H.N. Tamworth Franchisor Pty Limited
 H.N. Tamworth Leasing Pty Limited¹
 H.N. Taree Leasing Pty Limited¹
 H.N. Toowoomba Franchisor Pty Limited
 H.N. Toowoomba Leasing Pty Limited¹
 H.N. Townsville Franchisor Pty Limited
 H.N. Townsville Leasing Pty Limited¹
 H.N. Traralgon Franchisor Pty Limited
 H.N. Traralgon Leasing Pty Limited¹
 H.N. Wagga Franchisor Pty Limited
 H.N. Wagga Leasing Pty Limited¹
 H.N. Wangaratta Franchisor Pty Limited
 H.N. Wangaratta Leasing Pty Limited¹
 H.N. Warragul Franchisor Pty Limited
 H.N. Warragul Leasing Pty Limited¹
 H.N. Warrawong Franchisor Pty Limited
 H.N. Warrawong Leasing Pty Limited¹
 H.N. Warrnambool Franchisor Pty Limited
 H.N. Warrnambool Leasing Pty Limited¹
 H.N. Warwick (WA) Franchisor Pty Limited
 H.N. Warwick (WA) Leasing Pty Limited¹
 H.N. Warwick Franchisor Pty Limited
 H.N. Warwick Leasing Pty Limited¹
 H.N. Watergardens Franchisor Pty Limited
 H.N. Watergardens Leasing Pty Limited¹
 H.N. West Gosford Franchisor Pty Limited
 H.N. Whyalla Franchisor Pty Limited
 H.N. Whyalla Leasing Pty Limited¹
 H.N. Wiley Park Franchisor Pty Limited
 H.N. Wiley Park Leasing Pty Limited¹
 H.N. Windsor Franchisor Pty Limited
 H.N. Windsor Leasing Pty Limited¹
 H.N. Woden Franchisor Pty Limited
 H.N. Woden Leasing Pty Limited¹
 H.N. Wonthaggi Franchisor Pty Limited
 H.N. Wonthaggi Leasing Pty Limited¹
 H.N. Young Franchisor Pty Limited
 H.N. Young Leasing Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
Hamptonfurn Pty Limited ^{1,6,7}	Harvey Norman Stores (N.Z.) Pty Limited
Hardly Normal Discounts Pty Limited	Harvey Norman Stores (W.A.) Pty Limited ¹
Hardly Normal Pty Limited	Harvey Norman Superlink Pty Limited ¹
Hardly Normal Limited ^{1,8,9}	Harvey Norman Tasmania Pty Limited
Harvey Cellars Pty Limited ¹	Harvey Norman Technology Pty Limited
Harvey Liquor Pty Limited ¹	Harvey Norman The Bedding Specialists Pty Limited ^{1,6}
Harvey Norman (ACT) Pty Limited	Harvey Norman The Computer Specialists Pty Limited ^{1,6}
Harvey Norman Burnie Franchisor Pty Limited	Harvey Norman The Electrical Specialists Pty Limited ^{1,6}
Harvey Norman Burnie Leasing Pty Limited ¹	Harvey Norman The Furniture Specialists Pty Limited ^{1,6}
Harvey Norman Commercial Your Solution Provider Pty Limited ¹	Harvey Norman Trading (Ireland) Limited ^{1,6,20}
Harvey Norman Computer Club Pty Limited ¹	Harvey Norman Trading d.o.o. ^{1,11}
Harvey Norman Computer Training Pty Limited ¹	Harvey Norman Ulverstone Franchisor Pty Limited
Harvey Norman Contracting Pty Limited ¹	Harvey Norman Ulverstone Leasing Pty Limited ¹
Harvey Norman Corporate Air Pty Limited ^{1,6}	Harvey Norman Victoria Pty Limited
Harvey Norman Devonport Franchisor Pty Limited	Havnet Pty Limited ^{1,6,7}
Harvey Norman Devonport Leasing Pty Limited ¹	Havrex Pty Limited ⁵
Harvey Norman Energy Pty Limited	Herveycom Pty Limited ^{1,6,7}
Harvey Norman Export Pty Limited ¹	HNL Pty Limited ¹
Harvey Norman Europe d.o.o. ^{1,11}	Hobart City Computers Pty Limited ^{1,7}
Harvey Norman Fitouts Pty Limited ¹	Hodberg Pty Limited ⁴
Harvey Norman Gamezone Pty Limited ¹	Hodvale Pty Limited ⁴
Harvey Norman Glenorchy Franchisor Pty Limited	Home Mart Furniture Pty Limited ¹
Harvey Norman Glenorchy Leasing Pty Limited ¹	Home Mart Pty Limited ¹
Harvey Norman Hobart Franchisor Pty Limited	Hoxco Pty Limited ⁵
Harvey Norman Hobart Leasing Pty Limited ¹	Igniz Pty Limited ^{1,6,7}
Harvey Norman Holdings (Ireland) Limited ^{1,6,20}	Indorel Pty Limited ^{1,6,7}
Harvey Norman Home Cellars Pty Limited ¹	Jartoso Pty Limited
Harvey Norman Home Loans Pty Limited ¹	J.M. Auburn Franchisor Pty Limited
Harvey Norman Home Starters Pty Limited ¹	J.M. Campbelltown Franchisor Pty Limited
Harvey Norman Launceston Franchisor Pty Limited	J.M. Campbelltown Leasing Pty Limited ¹
Harvey Norman Launceston Leasing Pty Limited ¹	J.M. Caringbah Franchisor Pty Limited
Harvey Norman Leasing Pty Limited ¹	J.M. Caringbah Leasing Pty Limited ¹
Harvey Norman Leasing (Dublin) Limited ^{1,6,20}	J.M. Contracting Services Pty Limited
Harvey Norman Leasing (Dundalk) Limited ^{1,6,20}	J.M. Leasing Pty Limited ¹
Harvey Norman Leasing (N.Z.) Limited ^{1,8,9}	J.M. Marrickville Franchisor Pty Limited
Harvey Norman Limited ^{1,9}	J.M. Marrickville Leasing Pty Limited ¹
Harvey Norman Loughran Plant & Equipment Pty Limited ¹	J.M. Newcastle Franchisor Pty Limited
Harvey Norman Mortgage Service Pty Limited ¹	J.M. Plant & Equipment Hire Pty Limited ¹
Harvey Norman Music Pty Limited ¹	J.M. Share Investment Pty Limited ¹
Harvey Norman Net. Works Pty Limited	J.M. West Gosford Franchisor Pty Limited
Harvey Norman (N.S.W.) Pty Limited ¹	J.M. West Gosford Leasing Pty Limited ¹
Harvey Norman Online.com Pty Limited ¹	Jondarlo Pty Limited
Harvey Norman Ossia (Asia) Pte Limited ^{1,10,16,17}	Joonbed Pty Limited ^{1,6,7}
Harvey Norman P.E.M. Pty Limited ¹	Jooncom Pty Limited ^{1,6,7}
Harvey Norman Plant and Equipment Pty Limited ¹	Joondalup Administrative Services Pty Limited ^{1,7}
Harvey Norman Properties (N.Z.) Limited ^{1,8,9}	Joondalup Warehousing Services Pty Limited ^{1,7}
Harvey Norman (QLD) Pty Limited ⁵	Joonfurn Pty Limited ^{1,6,7}
Harvey Norman Rental Pty Limited ¹	Joyce Mayne Home Cellars Pty Limited ¹
Harvey Norman Retailing Pty Limited	Joyce Mayne Kotara Leasing Pty Limited ¹
Harvey Norman Rosney Franchisor Pty Limited	Joyce Mayne Liverpool Leasing Pty Limited ¹
Harvey Norman Rosney Leasing Pty Limited ¹	Joyce Mayne Penrith Pty Limited ¹
Harvey Norman Security Pty Limited ¹	Joyce Mayne Shopping Complex Pty Limited ¹
(formerly H.N. Fairfield Franchisor Pty Limited)	Kalinya Development Pty Limited ¹
Harvey Norman Shopfitting Pty Limited	Kambaldu Pty Limited
Harvey Norman Singapore Pte Limited ^{1,10,15,16}	Karra WA Pty Limited ^{1,7}
Harvey Norman Stores Pty Limited	Kawel Pty Limited ^{1,6}
	Kennybed Pty Limited ^{1,7}
	Kita Pty Limited ¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
Koodero Pty Limited	Lesandu Nowra Pty Limited ¹
Korinti Pty Limited	Lesandu Oakleigh CK Pty Limited ^{1,6}
Lamino Pty Limited	Lesandu Orange Pty Limited ¹
Lesandu Pty Limited	Lesandu Penrith DM Pty Limited ¹
Lesandu Adelaide City Pty Limited ^{1,6}	Lesandu Peppermint Grove Pty Limited ^{1,6}
Lesandu Adelaide CK Pty Limited ^{1,6}	Lesandu Perth City West Pty Limited ¹
Lesandu Albany Pty Limited ¹	Lesandu Richmond (VIC) Pty Limited ¹
Lesandu Alexandria DM Pty Limited ^{1,6}	Lesandu Riverwood Pty Limited ^{1,6}
Lesandu Ayr Pty Limited ¹	Lesandu S.A. Pty Limited ¹
Lesandu Bairnsdale Pty Limited ¹	Lesandu Sale Pty Limited ¹
Lesandu Balgowlah Pty Limited ¹	Lesandu Silverwater Pty Limited ^{1,6}
Lesandu Bathurst Pty Limited ¹	Lesandu Stanmore Pty Limited ¹
Lesandu Belmont Pty Limited ¹	Lesandu Swan Hill Pty Limited ¹
Lesandu Brisbane City Pty Limited ¹	Lesandu Sydenham Pty Limited ¹
Lesandu Broadway Pty Limited ¹	Lesandu Tamworth Pty Limited ¹
Lesandu Browns Plains Pty Limited ¹	Lesandu Tasmania Pty Limited ¹
Lesandu Burleigh Heads Flooring Pty Limited ^{1,6}	Lesandu Townsville Pty Limited ¹
Lesandu Busseton Pty Limited ¹	Lesandu Tweed Heads Pty Limited
Lesandu Carindale Pty Limited ¹	Lesandu Underwood Pty Limited ¹
Lesandu Castle Hill DM Pty Limited ¹	Lesandu W.A. Pty Limited
Lesandu Chatswood Express Pty Limited ^{1,6}	Lesandu Wagga Wagga Pty Limited ¹
Lesandu Chatswood Pty Limited ¹	Lesandu Wangaratta Pty Limited ¹
Lesandu Cheltenham Pty Limited ¹	Lesandu Warragul Pty Limited ¹
Lesandu Chirnside Park Pty Limited ^{1,6}	Lesandu Warwick (WA) Pty Limited ¹
Lesandu Cranbourne Pty Limited ¹	Lesandu Warwick Pty Limited ¹
Lesandu Dalby Pty Limited ¹	Lesandu Waurin Ponds Pty Limited ^{1,6}
Lesandu Deniliquin Pty Limited ¹	Lesandu West Gosford DM Pty Limited ¹
Lesandu Engadine Pty Limited ¹	Lesandu Wonthaggi Pty Limited ¹
(formerly Lesandu Engadine Floorcoverings Pty Limited)	Lexeri Pty Limited
Lesandu Fremantle Pty Limited ¹	Lightcorp Pty Limited ¹
Lesandu Fyshwick Pty Limited ¹	Lighting Venture Pty Limited ¹
Lesandu Grafton Pty Limited ¹	Lodare Pty Limited
Lesandu Griffith Pty Limited ¹	Loreste Pty Limited
Lesandu Hamilton (VIC) Pty Limited ¹	Mackayfurn Pty Limited ^{1,6}
Lesandu Hamilton Pty Limited ¹	Macklect Pty Limited ^{1,6}
Lesandu Hervey Bay Pty Limited ¹	Maddel Pty Limited ^{1,6,7}
Lesandu Indooroopilly Pty Limited	Maddingcom Pty Limited ^{1,6,7}
Lesandu Innisfail Pty Limited ¹	Malvis Pty Limited
Lesandu Joondalup Pty Limited ^{1,6}	Manutu Pty Limited
Lesandu Kalgoorlie Pty Limited ¹	Maradoni Pty Limited
Lesandu Knox Towerpoint Pty Limited ¹	Marinski Pty Limited
Lesandu Leichhardt M Pty Limited ¹	Marionbed Pty Limited ^{1,7}
Lesandu Light Street DM Pty Limited ¹	Marionfurn Pty Limited ^{1,7}
Lesandu Lismore Pty Limited ¹	Mayfurn Pty Limited ^{1,7}
Lesandu Maddington Pty Limited ¹	Meadowel Pty Limited ^{1,7}
Lesandu Mandurah Pty Limited ¹	Mega Flooring Depot Pty Limited ^{1,6}
Lesandu Marion Pty Limited ¹	Midlancom Pty Limited ^{1,7}
Lesandu Maroochydore Flooring Pty Limited ^{1,6}	Misstar Pty Limited ^{1,2}
Lesandu Melbourne City DM Pty Limited ¹	Moralect Pty Limited ^{1,6}
Lesandu Midland Pty Limited ¹	Moraybed Pty Limited ^{1,6,7}
Lesandu Moe Pty Limited ¹	Morlel Pty Limited ^{1,6,7}
Lesandu Morley Pty Limited ¹	Mountfurn Pty Limited ^{1,6,7}
Lesandu Mornington Pty Limited ¹	Munnocom Pty Limited ^{1,6,7}
Lesandu Moss Vale Pty Limited ¹	Murray Street Development Pty Limited ¹
Lesandu Mt Gravatt Pty Limited ¹	Nedcroft Pty Limited
Lesandu Mt Isa Pty Limited ^{1,6}	Network Consumer Finance Pty Limited
Lesandu Noarlunga Pty Limited ¹	Network Consumer Finance (Ireland) Limited ^{1,6,20}
Lesandu Noosa Pty Limited ¹	Network Consumer Finance (N.Z.) Limited ^{1,8,9}

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
Noarbed Pty Limited ^{1,6,7}	P & E Enfield Pty Limited ¹
Noarcom Pty Limited ^{1,6,7}	P & E Everton Park Pty Limited ¹
Nomadale Pty Limited ⁵	P & E Fortitude Valley Pty Limited ^{1,6}
Norrap Pty Limited ^{1,6}	P & E Fremantle Pty Limited ¹
Norman Ross Pty Limited	P & E Fyshwick Pty Limited ¹
Noxfurn Pty Limited ^{1,6,7}	P & E Geelong Pty Limited ¹
Oldmist Pty Limited	P & E Geraldton Pty Limited ¹
Osbeds Pty Limited ^{1,6}	P & E Gladstone Pty Limited ¹
Oslect Pty Limited ^{1,7}	P & E Glenorchy Pty Limited ¹
Oslek Developments Pty Limited ¹	P & E Gordon Pty Limited ¹
Osraidi Pty Limited	P & E Gosford Pty Limited ¹
Oxapel Pty Limited ^{1,6}	P & E Grafton Pty Limited ¹
Oxleyel Pty Limited ^{1,6,7}	P & E Greensborough Plaza Pty Limited ¹
Oxleyfurn Pty Limited ^{1,6,7}	P & E Griffith Pty Limited ¹
Parkapp Pty Limited ^{1,6,7}	P & E Hamilton Pty Limited ¹
Parklect Pty Limited ^{1,6,7}	P & E Hervey Bay Pty Limited ¹
Pertama Holdings Limited ^{1,10,16,17}	P & E Hobart City Pty Limited ¹
P & E Adelaide CK Pty Limited ^{1,6}	P & E Homewest Pty Limited ¹
P & E Albany Pty Limited ¹	P & E Hoppers Crossing Pty Limited ^{1,6}
P & E Albury Pty Limited ¹	P & E Indooroopilly Pty Limited ¹
P & E Armadale WA Pty Limited ^{1,6}	P & E Innisfail Pty Limited ¹
P & E Armidale Pty Limited ¹	P & E Inverell Pty Limited ¹
P & E Aspley Pty Limited ¹	P & E Joondalup Pty Limited ¹
P & E Auburn Pty Limited	P & E Kalgoorlie Pty Limited ¹
P & E Ayr Pty Limited ¹	P & E Karratha Pty Limited ¹
P & E Bairnsdale Pty Limited ¹	P & E Kawana Waters Pty Limited ¹
P & E Balgowlah Pty Limited	P & E Knox Towerpoint Pty Limited ¹
P & E Ballarat Pty Limited ¹	P & E Launceston Pty Limited ¹
P & E Bathurst Pty Limited ¹	P & E Leichhardt Pty Limited ¹
P & E Belmont Pty Limited ¹	P & E Lismore Pty Limited ¹
P & E Bendigo Pty Limited ¹	P & E Liverpool Pty Limited ¹
P & E Blacktown Pty Limited ¹	P & E Mackay Pty Limited ¹
P & E Broadmeadow Pty Limited ¹	P & E Maclean Pty Limited ¹
P & E Broadway on The Mall Pty Limited ¹	P & E Maddington Pty Limited ¹
P & E Broadway Pty Limited ¹	P & E Maitland Pty Limited ¹
P & E Browns Plains Pty Limited ¹	P & E Mandurah Pty Limited ¹
P & E Bunbury Pty Limited ¹	P & E Maribyrnong Pty Limited ¹
P & E Bundaberg Pty Limited ¹	P & E Marion Pty Limited ¹
P & E Bundall Pty Limited	P & E Maroochydore Pty Limited ^{1,6}
P & E Burnie Pty Limited ¹	P & E Marrickville Pty Limited ¹
P & E Busselton Pty Limited ¹	P & E Martin Place Sydney Pty Limited ^{1,6}
P & E Cairns Pty Limited ¹	P & E Midland Pty Limited ¹
P & E Campbelltown Pty Limited ¹	P & E Mildura Pty Limited ¹
P & E Cannington Pty Limited ¹	P & E Moe Pty Limited ^{1,6}
P & E Carindale Pty Limited ¹	P & E Moorabbin Pty Limited ¹
P & E Caringbah Pty Limited ¹	P & E Moore Park Pty Limited ¹
P & E Chatswood Pty Limited ¹	P & E Morayfield Pty Limited ¹
P & E City West Pty Limited ¹	P & E Moree Pty Limited ¹
P & E Coffs Harbour Pty Limited ¹	P & E Morley Pty Limited ¹
P & E Cranbourne Pty Limited ¹	P & E Moss Vale Pty Limited ¹
P & E Crows Nest Pty Limited ¹	P & E Mt Gambier Pty Limited ¹
P & E Dalby Pty Limited ¹	P & E Mt Gravatt Pty Limited ¹
P & E Dandenong Pty Limited ¹	P & E Mudgee Pty Limited ¹
P & E Darwin Pty Limited ¹	P & E Munno Para Pty Limited ^{1,6}
P & E Deniliquin Pty Limited ¹	P & E Newcastle Pty Limited ¹
P & E Devonport Pty Limited ¹	P & E Noarlunga Pty Limited ¹
P & E Dili Pty Limited ¹	P & E Noosa Pty Limited ¹
P & E Dubbo Pty Limited ¹	P & E Nowra Pty Limited ¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
P & E Nunawading Pty Limited ¹	R. Reynolds Nominees Pty Limited ¹
P & E O'Connor Pty Limited ¹	Rosieway Pty Limited
P & E Oakleigh CK Pty Limited ^{1,6}	Rocfurn Pty Limited ^{1,7}
P & E Orange Pty Limited ¹	Rockcom Pty Limited ^{1,6,7}
P & E Osborne Park Pty Limited ¹	Salel Pty Limited ^{1,6,7}
P & E Oxley Pty Limited ¹	Sarsha Pty Limited
P & E Parkes Pty Limited ¹	Setto Pty Limited
P & E Penrith Pty Limited ¹	Signature Computers Pty Limited ¹
P & E Peppermint Grove Pty Limited ^{1,6}	Solaro Pty Limited
P & E Port Hedland Pty Limited ¹	Space Furniture Limited ^{1,12,14}
P & E Port Kennedy Pty Limited ¹	Space Furniture Pte Limited ^{1,10,16}
P & E Port Macquarie Pty Limited ¹	Space Furniture Pty Limited ^{1,2,18}
P & E Preston Pty Limited ¹	Spirarzo Pty Limited ^{1,6,7}
P & E Riverwood Pty Limited ¹	Stonetess Pty Limited
P & E Rockhampton Pty Limited ¹	Strathloro Pty Limited
P & E Rosny Pty Limited ¹	Stupendous Pty Limited ²¹
P & E Sale Pty Limited ¹	Supagard Pty Limited ¹
P & E Shepparton Pty Limited ¹	Swaneto Pty Limited
P & E Shopfitters Pty Limited ¹	Swanpark Pty Limited ⁵
P & E Southland Pty Limited ¹	Tatroko Pty Limited
P & E Swan Hill Pty Limited ¹	Tessera Stones & Tiles Pty Limited ^{1,13}
P & E Tamworth Pty Limited ¹	The Byron At Byron Pty Limited ¹
P & E Taree Pty Limited ¹	(formerly A.C.N. 098 004 721 Pty Limited)
P & E Toowoomba (B) Pty Limited ¹	Tisira Pty Limited
P & E Toowoomba Pty Limited ¹	Toofurn Pty Limited ^{1,6,7}
P & E Townsville Pty Limited ¹	Townel Pty Limited ^{1,6}
P & E Traralgon Pty Limited ¹	Tralgfurn Pty Limited ^{1,6}
P & E Tweed Heads Pty Limited ¹	Ventama Pty Limited ³
P & E Ulverstone Pty Limited ¹	Waccom Pty Limited ^{1,6,7}
P & E Wagga Pty Limited ¹	Wadins Pty Limited
P & E Wangaratta Pty Limited ¹	Wanalti Pty Limited
P & E Warragul Pty Limited ¹	Waggafurn Pty Limited ¹
P & E Warrawong Pty Limited ¹	Warel Pty Limited ^{1,6,7}
P & E Warrnambool Pty Limited ¹	Warwickel Pty Limited ^{1,6}
P & E Warwick (Qld) Pty Limited ¹	Warungi Pty Limited
P & E Warwick (WA) Pty Limited ¹	Waytango Pty Limited
P & E Watergardens Pty Limited ¹	Webzone Pty Limited ¹
P & E Whyalla Pty Limited ¹	Whyfurn Pty Limited ^{1,7}
P & E Wiley Park Pty Limited ¹	Whylect Pty Limited ^{1,7}
P & E Woden Pty Limited ¹	Wickcom Pty Limited ^{1,7}
P & E Wonthaggi Pty Limited ¹	Wickfurn Pty Limited ^{1,6,7}
P & E Young Pty Limited ¹	Windsor Commercial Pty Limited ^{1,6,7}
PEM Alexandria Pty Limited ^{1,6}	Wytharra Pty Limited
PEM Auburn Pty Limited ¹	Yallect Pty Limited ^{1,6,7}
PEM Bundall Pty Limited ^{1,6}	Yoogalu Pty Limited
PEM Campbelltown Pty Limited ¹	Zabella Pty Limited
PEM Caringbah Pty Limited ^{1,6}	Zavarte Pty Limited
PEM Corporate Pty Limited ¹	Zirdano Pty Limited
PEM Fyshwick Pty Limited ^{1,6}	Zirdanu Pty Limited
PEM Gosford Pty Limited ¹	
PEM Kotara Pty Limited ¹	
PEM Liverpool Pty Limited ¹	
PEM Penrith Pty Limited ¹	
PEM QVH Pty Limited ^{1,6}	
PEM Warrawong Pty Limited ¹	
Plezero Pty Limited	
Plainsel Pty Limited ^{1,6,7}	
Portlandel Pty Limited ^{1,6,7}	

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

1. Company is not part of the class order described in Note 40.
2. Harvey Norman Holdings Limited owns 99.9% of shares in Misstar Pty Limited and 50% of Bossee Pty Limited, and 51% of the shares in Space Furniture Pty Limited and Arisit Pty Limited.
3. Shares held by Sarsha Pty Limited.
4. Shares held by Harvey Norman Retailing Pty Limited.
5. Shares held by Harvey Norman Stores Pty Limited.
6. These companies were acquired during the year.
7. These companies were disposed of during the year.
8. Shares held by Harvey Norman Limited.
9. These companies are incorporated in New Zealand.
10. This company is incorporated in Singapore.
11. This company is incorporated in Slovenia.
12. This company is incorporated in the UK.
13. Shares held by Stonetess Pty Limited.
14. Space Furniture Pty Limited owns 70% of shares in 250 Brompton Road Limited and 100% of shares in Space Furniture Limited.
15. Shares held by Setto Pty Limited.
16. Harvey Norman Singapore Pte Limited owns 60% of the shares in Harvey Norman Ossia (Asia) Pte Limited, 75% of the shares in Space Furniture Pte Limited and 2.23% of the shares in Pertama Holdings Limited.
17. Harvey Norman Ossia (Asia) Pte Limited holds 50.21% of the shares in Pertama Holdings Limited.
18. Harvey Norman Holdings Limited has a controlling interest in this entity. The results of this entity have been included in the consolidated financial report of Harvey Norman Holdings Limited from 1 July 2000.
19. On 28 July 2001, Becto Pty Limited, a wholly owned subsidiary of Harvey Norman Holdings Limited, acquired a controlling interest in Rebel Sport Limited. From this date the financial statements of Rebel Sport Limited have been consolidated into the financial statements of the consolidated entity. As at 30 June 2003 Becto Pty Limited held 55.99% of the shares in Rebel Sport Limited.
20. These companies are incorporated in Ireland.
21. Shares held by Calardu Pty Limited.
22. Shares held by Calardu Armidale Pty Limited.
23. Lighting Venture Pty Limited owns 50.1% of shares in Glo Light Pty Limited.

40. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

Name

098 004 570 No. 2 Trust
 Abari No. 3 Trust**
 Albany Stores No. 2 Trust
 Alblect No. 2 Trust
 Albstore No. 2 Trust
 Albwood No. 2 Trust**
 Aldrum No. 2 Trust
 Altcrest No. 2 Trust
 Anwarah No. 2 Trust
 Appcann No. 2 Trust
 Appconn No. 2 Trust
 Appjoon No. 2 Trust
 Applect No. 2 Trust**
 Apptoo No. 2 Trust**
 Artza No. 2 Trust
 Aspelect No. 2 Trust
 Aspleybed No. 2 Trust
 Aspleyey No. 2 Trust
 Aspleyurn No. 2 Trust
 Aubdirect No. 2 Trust
 Auburnapp No. 2 Trust**
 Auburnbed No. 2 Trust**
 Auburncom No. 2 Trust
 Auburnfloor No. 2 Trust
 Australian Business Skills Centre Trust***
 Avocoe No. 2 Trust
 Bagron No. 2 Trust
 Bathard No. 2 Trust
 Becto Trust
 Beddington No. 2 Trust**
 Bedmac No. 2 Trust
 Belmcom No. 2 Trust**
 Bena No. 2 Trust
 Bernel No. 2 Trust
 Bernlect No. 2 Trust**
 Bertoli No. 2 Trust
 Big Apple Trust
 Blanrex No. 2 Trust
 Bogardo No. 2 Trust
 Bowes No. 2 Trust
 Bradiz No. 2 Trust
 Broadmall No. 2 Trust
 Bunburyfurn No. 2 Trust
 Bundafurn No. 2 Trust
 Bundall Computers No. 2 Trust
 Bundallbed No. 2 Trust
 Bundallcom No. 2 Trust
 Bundallcom (Qld) No. 2 Trust
 Bundcomm No. 2 Trust**
 Busselton WA No. 2 Trust
 Cairncom No. 2 Trust
 Cairnfurn No. 2 Trust
 Cairnsel No. 2 Trust**
 Calardu ACT Trust
 Calardu Adderley Street Trust
 Calardu Alexandria DM Trust

Name

Calardu Alice Springs Trust
 Calardu Armadale WA Trust
 Calardu Armidale Trust
 Calardu Aspley Trust
 Calardu Auburn No. 1 Trust
 Calardu Auburn No. 2 Trust
 Calardu Auburn No. 3 Trust
 Calardu Auburn No. 4 Trust
 Calardu Auburn No. 5 Trust
 Calardu Auburn No. 6 Trust
 Calardu Auburn No. 7 Trust
 Calardu Auburn No. 8 Trust
 Calardu Auburn No. 9 Trust
 Calardu Ballarat Trust
 Calardu Ballina Trust
 Calardu Bathurst Trust
 Calardu Beaufort Street Trust**
 Calardu Belrose DM Trust
 Calardu Bellevue Hill Trust
 Calardu Bennetts Green Trust
 Calardu Bennetts Green Warehouse Trust
 Calardu Berri Trust
 Calardu Berrimah Trust
 Calardu Moss Vale Trust
 Calardu Brickworks (S.A.) Trust
 Calardu Broadmeadow No. 1 Trust
 Calardu Broadmeadow No. 2 Trust
 Calardu Broadmeadows VIC Trust**
 Calardu Brookvale Trust
 Calardu Browns Plains Trust
 Calardu Bunbury Trust
 Calardu Bundaberg Trust
 Calardu Bundall Trust
 Calardu Campbelltown Trust
 Calardu Cannington Trust
 Calardu Caringbah Trust
 Calardu Caringbah (Taren Point) Trust
 Calardu Crows Nest Trust
 Calardu Crows Nest No. 2 Trust
 Calardu Darwin Trust
 Calardu Denuo Berri Trust
 Calardu Fyshwick DM Trust
 Calardu Frankston Trust
 Calardu Gordon Trust
 Calardu Guildford Trust
 Calardu Hobart Trust
 Calardu Hoppers Crossing Trust
 Calardu Horsham Trust
 Calardu Joondalup Trust
 Calardu Kalgoorlie Trust
 Calardu Karana Downs Trust
 Calardu Kemblawarra Trust
 Calardu Launceston Trust
 Calardu Loganholme Trust
 Calardu Mackay Trust
 Calardu Maitland Trust

40. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

Name	Name
Calardu Mandurah Trust	Canntur No. 2 Trust
Calardu Maribymong Trust	Cardfurn No. 2 Trust**
Calardu Maribymong 1995 Trust	Carincom No. 2 Trust
Calardu Marion Trust	Carinel No. 2 Trust**
Calardu Maryborough Trust	Carinfurn No. 2 Trust
Calardu Melville Trust	Caringel No. 2 Trust**
Calardu Mentone Trust**	CBG Trust
Calardu Milton Trust	Charmela No. 2 Trust
Calardu Morayfield Trust	Cherrion No. 2 Trust
Calardu Mt Isa Trust	Cityfurn No. 2 Trust**
Calardu Mt. Gambier Trust	Cityslik No. 2 Trust
Calardu Mudgee Trust	Claret No. 2 Trust
Calardu Munno Para Trust	Comben Nominees No. 2 Trust
Calardu Noarlunga Trust	Comberg No. 2 Trust
Calardu Noosa Trust	Comborne No. 2 Trust
Calardu North Ryde Trust	Combun WA No. 2 Trust**
Calardu Northbridge Trust**	Combund No. 2 Trust
Calardu Nowra Trust	Combund Qld No. 2 Trust
Calardu No. 1 Trust	Comkalg No. 2 Trust**
Calardu No. 2 Trust	Comken No. 2 Trust
Calardu No. 3 Trust	Commac No. 2 Trust
Calardu Oxley Trust	Commount No. 2 Trust
Calardu Penrith Trust	Commwin No. 2 Trust
Calardu Perth City West Trust	Compcall No. 2 Trust**
Calardu Port Macquarie Trust	Computawin No. 2 Trust
Calardu Preston Trust	Comtown No. 2 Trust**
Calardu Richmond Trust	Connap No. 2 Trust
Calardu Rockingham Trust	Connel No. 2 Trust
Calardu Rockhampton Trust	Connorfurn No. 2 Trust**
Calardu Rosebery Trust	Connrap No. 2 Trust
Calardu Roselands Trust	Copee No. 2 Trust
Calardu Sale Trust	Cosgrove Shopfitting Services No. 2 Trust
Calardu Silverwater Trust**	Dalel No. 2 Trust
Calardu Swan Hill Trust**	Darwinel No. 2 Trust**
Calardu Sylvania Trust	Elbunda No. 2 Trust
Calardu Taree Trust	Elcann No. 2 Trust
Calardu Thebarton Trust	Electapp No. 2 Trust
Calardu Thomastown Trust	Electberg No. 2 Trust
Calardu Thomastown Victoria Trust**	Electbern No. 2 Trust
Calardu Toowoomba Trust	Electbund No. 2 Trust
Calardu Townsville Trust**	Electmac No. 2 Trust
Calardu Tweed Heads Trust	Electoo No. 2 Trust
Calardu Tweed Heads Traders Way Trust	Electos No. 2 Trust
Calardu Vicfurn Trust	Electown No. 2 Trust
Calardu Warrawong Trust	Electpark No. 2 Trust**
Calardu Warrawong (Home Starters) Trust	Electway No. 2 Trust
Calardu Warrawong No. 1 Trust	Electwind No. 2 Trust
Calardu Warrnambool Trust	Elenfield No. 2 Trust
Calardu Warwick Trust	Elgrav No. 2 Trust**
Calardu West Gosford Trust	Emohy No. 2 Trust**
Calardu Whyalla Trust	Enbed No. 2 Trust
Calardu Wivenhoe Trust	Encomp No. 2 Trust
Cannapp No. 2 Trust	Encomputers No. 2 Trust**
Cannbed No. 2 Trust	Evcom No. 2 Trust
Canncomp No. 2 Trust**	Everlect No. 2 Trust**
Cannfurn No. 2 Trust	Evertoncomp No. 2 Trust**
Cannfurn WA No. 2 Trust	Evfurn No. 2 Trust**
Canntapp No. 2 Trust**	Evtel No. 2 Trust

40. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

Name	Name
Fashdash No. 2 Trust	HNMS No. 2 Trust
Fieldcom No. 2 Trust**	HNMS Production No. 2 Trust
Fillinde No. 2 Trust	Hobart City Computers No. 2 Trust
Finab No. 2 Trust	Hopcorp No. 2 Trust
Floorchat No. 2 Trust	Hoxgold No. 2 Trust
Fremcom No. 2 Trust**	Igniz No. 2 Trust**
Furncairn No. 2 Trust**	Indorel No. 2 Trust**
Furnchat No. 2 Trust	Jamacar No. 2 Trust
Furncon No. 2 Trust	Jinfurn No. 2 Trust
Furncom No. 2 Trust	Joonapp No. 2 Trust
Furnley No. 2 Trust	Joonbed No. 2 Trust**
Furnliv No. 2 Trust**	Jooncom No. 2 Trust**
Furnmac No. 2 Trust	Joondalup Warehousing Services Trust
Furnmac QLD No. 2 Trust	Joondalup Administrative Services Trust
Furnmount No. 2 Trust	Joonfurn No. 2 Trust**
Furnmil No. 2 Trust	Kaboola No. 2 Trust
Furnpark No. 2 Trust**	Kalcom No. 2 Trust
Furntown No. 2 Trust	Kalina Unit Trust
Furnwind No. 2 Trust	Kalfurn No. 2 Trust
Galdcom No. 2 Trust**	Kalgoorlie WA No. 2 Trust
Gambcom No. 2 Trust**	Kanfare No. 2 Trust
Geevarne No. 2 Trust	Karra WA No. 2 Trust
Geraldcom No. 2 Trust	Karratha WA No. 2 Trust
Geraldton Store No. 2 Trust	Kawcomp No. 2 Trust
Geraldton WA No. 1 Trust	Kawel No. 2 Trust**
Geraldton WA No. 2 Trust	Kazron No. 2 Trust
Gerel No. 2 Trust**	Kenbed No. 2 Trust
Gladstone FEC No. 2 Trust	Kenfurn No. 2 Trust
Gladstone Retailers No. 2 Trust**	Kennybed No. 2 Trust
Gladstone Stores Trust	Kenpel No. 2 Trust
Gladstores No. 2 Trust**	Keybare No. 2 Trust
Gladstores Qld No. 2 Trust	Keyko No. 2 Trust
Glaydon No. 2 Trust	Kilcarva No. 2 Trust
Gordinia No. 2 Trust	Krimshaw No. 2 Trust
Gravcomp No. 2 Trust	Kroomba No. 2 Trust
Hamptonfurn No. 2 Trust**	Lamino Investments No. 1 Trust
Hangova No. 2 Trust	Lamino Investments No. 2 Trust
Happee No. 2 Trust	Lamino Investments No. 3 Trust
Harbund No. 2 Trust	Lamino Investments No. 4 Trust
Harmise No. 2 Trust	Lamino Investments No. 5 Trust
Harvey Norman Burnie Franchisor Unit Trust	Lamino Investments No. 6 Trust
Harvey Norman Devonport Franchisor Unit Trust	Lesandu Albury Trust
Harvey Norman Discounts No. 1 Trust	Lesandu Campbelltown Trust
Harvey Norman Glenorchy Franchisor Unit Trust	Lesandu Fairfield Trust
Harvey Norman Hobart Franchisor Unit Trust	Lesandu Gordon Trust
Harvey Norman Launceston Franchisor Unit Trust	Lesandu Gosford Trust
Harvey Norman Lighting Asset Trust	Lesandu Miranda Trust
Harvey Norman Lighting No. 1 Trust	Lesandu Newcastle Trust
Harvey Norman Liquor Unit Trust	Lesandu No. 1 Trust
Harvey Norman Rosney Franchisor Unit Trust	Lesandu Penrith Trust
Harvey Norman Shopfitting Trust	Lesandu Tamworth Trust
Harvey Norman Tasmania Agent Unit Trust	Lesandu Warrawong Trust
Harvey Norman Ulverstone Franchisor Unit Trust	Lesandu Warringah Mall Trust
Harvey Norman No. 1 Trust	Liscom No. 2 Trust
Havnet No. 2 Trust**	Lodare No. 2 Trust
Havoscu No. 2 Trust	Luckyme No. 2 Trust
Herveycom No. 2 Trust**	Maccom No. 2 Trust

40. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

Name	Name
Macfurn (QLD) No. 2 Trust	Pulpy No. 2 Trust
Mackayel No. 2 Trust	Quandallo No. 2 Trust
Mackayfurn No. 2 Trust**	Quinlea No. 2 Trust
Macklect No. 2 Trust**	Rajola No. 2 Trust
Maddel No. 2 Trust**	Ranano No. 2 Trust
Maddingcom No. 2 Trust**	Resum No. 2 Trust
Makdon No. 2 Trust	Rocfurn No. 2 Trust
Makfindi No. 2 Trust	Rockcom No. 2 Trust**
Malvis No. 2 Trust	Roowin No. 2 Trust
Marcomp No. 2 Trust	Rozborn No. 2 Trust
Marionbed No. 2 Trust	Rudari No. 2 Trust
Marioncom No. 2 Trust	Rustona No. 2 Trust
Marouli No. 2 Trust	Salel No. 2 Trust**
Marionfurn No. 2 Trust	Sardonnu No. 2 Trust
Masorie No. 2 Trust	Saywarre No. 2 Trust
Mayfurn No. 2 Trust	Skyjump No. 2 Trust
Meadowel No. 2 Trust	Spirarzo No. 2 Trust**
Mickie No. 2 Trust	Sungo No. 2 Trust
Midlancom No. 2 Trust	Swedon No. 2 Trust
Milblu No. 2 Trust	Sydney No. 1 Trust
Millintar No. 2 Trust	Tampar No. 2 Trust
Moracroft No. 2 Trust	Tandulu No. 2 Trust
Moralect No. 2 Trust**	Tarshellu No. 2 Trust
Moraybed No. 2 Trust**	Tenalaw No. 2 Trust
Morayel No. 2 Trust	Tifcon No. 2 Trust
Morlel No. 2 Trust**	Toocom No. 2 Trust
Mountfurn No. 2 Trust**	Toofurn No. 2 Trust**
Mozzpex No. 2 Trust	Torcarsa No. 2 Trust
Munnocom No. 2 Trust**	Tortah No. 2 Trust
Murray Street Development Trust	Townel No. 2 Trust**
Nargista No. 2 Trust	The Calardu Trust
Natley No. 2 Trust	Tralgfurn No. 2 Trust**
Nekdil No. 2 Trust	Trialli No. 2 Trust
Noarbed No. 2 Trust**	Trivea No. 2 Trust
Noarcom No. 2 Trust**	Truen No. 2 Trust
Noosacom No. 2 Trust	Upoes No. 2 Trust
Norrap No. 2 Trust**	Valerinar No. 2 Trust
Noxfurn No. 2 Trust**	Valrado No. 2 Trust
Osbcomm No. 2 Trust	Venusway No. 2 Trust
Osbeds No. 2 Trust**	Vidara No. 2 Trust
Oslect No. 2 Trust	Waccom No. 2 Trust**
Oslek Developments Trust	Warel No. 2 Trust**
Osraidi No. 2 Trust	Wartonu No. 2 Trust
Oxapel No. 2 Trust**	Warwickel No. 2 Trust**
Oxcom No. 2 Trust	Watfurn No. 2 Trust
Oxleycom No. 2 Trust	Whyfurn No. 2 Trust
Oxleyel No. 2 Trust**	Whylect No. 2 Trust
Oxleyfurn No. 2 Trust**	Wickcom No. 2 Trust
Parkapp No. 2 Trust**	Wickfurn No. 2 Trust**
Parkel No. 2 Trust	Wincomp No. 2 Trust
Parklect No. 2 Trust**	Windsor Commercial No. 2 Trust**
Piatan No. 2 Trust	Windsorcom No. 2 Trust
Plainsel No. 2 Trust**	Yallect No. 2 Trust**
Port Hedland WA No. 2 Trust	Yoogalu Albury Trust
Portcom No. 2 Trust	Yoogalu Campbelltown Trust
Portlandel No. 2 Trust**	Yoogalu Fairfield Trust
Posharnu No. 2 Trust	

40. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

Name

Yoogalu Gordon Trust
Yoogalu Gosford Trust*
Yoogalu Lismore Trust*
Yoogalu Miranda Trust
Yoogalu Newcastle Trust
Yoogalu Warrawong Trust
Yoogalu Warringah Mall Trust
Zoderme No. 2 Trust

*All the units in the Unit Trusts are held
by Harvey Norman Holdings Limited.

**These trusts were acquired during the year.

***Some of the units in this trust are held by
Yoogalu Pty Limited, a wholly owned subsidiary
of Harvey Norman Holdings Limited.

41. Deed of Cross Guarantee

Certain controlled entities (refer Note 40) have entered into a deed of cross guarantee dated 16 June 2003 with Harvey Norman Holdings Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. In addition, as a result of the Class Order issued by the Australian Securities and Investments Commission these companies are relieved from the requirements to prepare financial statements.

Controlled Entities (Refer Note 40) marked ¹ are not party to the Class Order.

Financial information for the class order closed group is as follows:

(a) Harvey Norman Holdings Limited Closed Group
Statement of Financial Position for year ended 2003

	CONSOLIDATED	
	2003 \$000	2002 \$000
Current Assets		
Cash assets	-	15,744
Receivables	595,502	558,005
Other financial assets	8,624	2,471
Inventories	65,948	86,461
Other	2,614	7,966
Total current assets	672,688	670,647
Non-Current Assets		
Receivables	11,951	9,700
Investments accounted for using equity method	47,520	42,387
Other financial assets	105,679	75,375
Inventories	18,627	-
Property, plant and equipment	856,559	744,731
Intangible assets	-	445
Deferred tax assets	4,822	3,639
Total non-current assets	1,045,158	876,277
Total Assets	1,717,846	1,546,924
Current Liabilities		
Payables	342,918	339,402
Interest-bearing liabilities	14,440	24,613
Tax liabilities	19,724	30,047
Provisions	4,199	29,808
Other	3,640	2,600
Total current liabilities	384,921	426,470
Non-Current Liabilities		
Payables	-	32
Interest-bearing liabilities	368,546	267,384
Provisions	654	630
Other	64	715
Total non-current liabilities	369,264	268,761
Total Liabilities	754,185	695,231
NET ASSETS	963,661	851,693
Equity		
Contributed equity	246,591	291,687
Reserves	175,708	134,397
Retained profits	541,362	425,609
TOTAL EQUITY	963,661	851,693

41. Deed of Cross Guarantee (continued)

(b) **Harvey Norman Holdings Limited Closed Group**
Statement of Financial Performance for year ended 30 June 2003

	CONSOLIDATED	
	2003	2002
	\$000	\$000
Sales revenue	264,304	508,044
Cost of sales	(197,981)	(409,420)
Gross profit	66,323	98,624
Other revenues	388,516	356,913
Distribution expenses	(920)	(12,899)
Marketing expenses	(16,473)	(18,968)
Occupancy expenses	(66,145)	(67,752)
Administrative expenses	(125,968)	(126,945)
Borrowing costs	(25,147)	(21,070)
Other expenses	(17,258)	(23,672)
Share of net profit of associates, joint venture entities and partnerships accounted for using the equity method	1,948	879
Profit from ordinary activities before income tax expense	204,876	185,110
Income tax expense relating to ordinary activities	(63,742)	(58,790)
Net profit	141,134	126,320
Net profit attributable to Outside equity interests	(143)	(263)
Net profit attributable to Members of the parent entity	140,991	126,057
Increase in asset revaluation reserve	39,620	20,059
Net exchange difference on Translation of financial report of Self-sustaining foreign operations	(4,048)	167
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	35,572	20,226
Total changes in equity other than those resulting from transactions with owners as owners	176,563	146,283

Directors' Declaration

In accordance with a resolution of the directors of Harvey Norman Holdings Limited, we state that:

- (1) In the opinion of the directors:
- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (2) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 41 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.

		
G. HARVEY Chairman	R.J. SKIPPEN Director	K.L. PAGE Director

Sydney
26 September 2003

INDEPENDENT AUDIT REPORT

To members of Harvey Norman Holdings Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Harvey Norman Holdings Limited (the company) and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in Note 31 to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of Harvey Norman Holdings Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Harvey Norman Holdings Limited and the consolidated entity at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Craig M. Jackson
Partner

Sydney 26 September 2003

Shareholder Information

Distribution of Shareholdings as at 22 September 2003

Size of Holding	Ordinary Shareholders
1 – 1,000	6,506
1,001 – 5,000	10,215
5,001 – 10,000	2,070
10,001 – 100,000	1,710
100,001 and over	208
	20,709
Number of Shareholders	
With less than a marketable parcel	517

Voting Rights

All ordinary shares issued by Harvey Norman Holdings Limited carry one vote per share.

Twenty Largest Shareholders as at 22 September 2003

Number of Ordinary Shares	Shareholder
175,249,660	Dimbulu Pty Limited
168,556,898	Mr Gerald Harvey
142,629,301	G Harvey Nominees Pty Limited
49,990,575	Ms Margaret Lynette Harvey
39,205,445	National Nominees Limited
37,907,443	JP Morgan Nominees Australia Limited
37,126,877	Citicorp Nominees Pty Limited
31,865,334	Citicorp Nominees Pty Limited
30,509,430	Westpac Custodian Nominees
21,382,079	Citicorp Nominees Pty Limited
21,083,530	Citicorp Nominees Pty Limited
18,980,590	Ms Kay Lesley Page
18,835,117	Citicorp Nominees Pty Limited
18,118,200	Enbear Pty Limited
15,725,585	Citicorp Nominees Pty Limited
13,800,342	Queensland Investment Corporation
11,364,491	ANZ Nominees Limited
8,857,437	AMP Life Limited
8,304,593	Citicorp Nominees Pty Limited
6,604,531	RBC Global Services Australia Nominees Pty Limited
876,097,458	

Total held by twenty largest shareholders as a percentage 82.95%.

Directory of Harvey Norman Shopping Complexes

AUSTRALIAN CAPITAL TERRITORY

FYSHWICK

Cnr Barrier & Ipswich Streets
Fyshwick 2609
Phone (02) 6280 4140

WODEN

Shop 5
Mezzanine Level
Woden Plaza
Woden 2606
Phone (02) 6282 2511

NEW SOUTH WALES

SYDNEY SUBURBAN

AUBURN

250 Parramatta Road
Auburn 2144
Phone (02) 9202 4888

AUBURN (Renovations & Seconds)

233-239 Parramatta Road
Auburn 2144
Phone (02) 9202 4888

BALGOWLAH

176-190 Condamine Street
Balgowlah 2093
Phone (02) 9948 4511

BALGOWLAH (HOMESTARTERS)

176-190 Condamine Street
Balgowlah 2093
Phone (02) 9948 4511

BLACKTOWN

Unit C5
Cnr Blacktown
& Bungarribee Roads
Blacktown 2148
Phone (02) 9831 2155

BROADWAY

Shop 119
Broadway Bay Street
Broadway 2007
Phone (02) 9211 3933

CAMPBELLTOWN

4 Blaxland Road
Campbelltown 2560
Phone (02) 4628 4088

CARINGBAH

Level 1
Caringbah SupaCenta
220 Taren Point Road
Caringbah 2229
Phone (02) 9542 7088

CHATSWOOD (Electrical & Computers only)

Level 2
Chatswood Chase
Cnr Archer & Victoria Avenue
Chatswood 2067
Phone (02) 9419 1100

GORDON

1st Floor
802-808 Pacific Highway
Gordon 2072
Phone (02) 9498 1499

LEICHHARDT (Manchester Only)

Shop 31
Leichhardt Market Place
Cnr Marion & Flood Streets
Leichhardt 2040
Phone (02) 9572 6544

LIVERPOOL

Liverpool Mega Centre
Orange Grove Road
Liverpool 2170
Phone (02) 9600 3333

MARRICKVILLE

Shop 5, Marrickville Metro Shopping Centre
Cnr Smidmore & Murray Streets
Marrickville 2204
Phone (02) 9557 7344

MOORE PARK

Level 2, North SupaCenta
Cnr South Dowling Street
& Dacey Avenue
Kensington 2033
Phone (02) 9662 9888

PENRITH

Cnr Mulgoa Rd
& Wolseley St
Penrith 2750
Phone (02) 4737 5111

WILEY PARK

1018 Canterbury Road
Wiley Park 2195
Phone (02) 9740 6055

WILEY PARK (Hardware)

1155 Canterbury Road
Roselands 2196
Phone (02) 9740 1153

NEW SOUTH WALES COUNTRY

ALBURY

430 Wilson Street
Albury 2640
Phone (02) 6041 1944

Directory of Harvey Norman Shopping Complexes (continued)

ARMIDALE

Shop 8, Girraween Shopping Centre
Queen Elizabeth Drive
Armidale 2350
Phone: (02) 6771 3788

BATHURST

Sydney Road
Kelso 2795
Phone (02) 6332 3399

BROADMEADOW (HOMESTARTERS)

35-43 Lambton Road
Broadmeadow 2292
Phone (02) 4962 1770

COFFS HARBOUR

252 Coffs Harbour Highway
Coffs Harbour 2450
Phone (02) 6651 9011

DENILQUIN

Cnr. Hardinge &
Harfleur Streets
Denilquin 2710
Phone (03) 5881 5499

DUBBO

195 Cobra Street
Dubbo 2830
Phone (02) 6826 5000

FRISCO HOME FURNISHERS (NEWCASTLE)

391 Hillsborough Road
Warners Bay NSW 2282
Phone (02) 4954 3344

GOSFORD (ERINA)

Harvey Norman Shopping Complex
Karlta Lane
Erina 2250
Phone (02) 4365 9500

GRAFTON

125 Prince Street
Grafton 2460
Phone (02) 6643 3266

GRIFFITH

Cnr Jondaryn &
Willandra Avenues
Griffith 2680
Phone (02) 6961 0300

INVERELL

50 Evans Streets
Inverell 2360
Phone (02) 6721 0811

LISMORE

17 Zadoc Street
Lismore 2480
Phone (02) 6621 8888

MACLEAN

211 River Street
Maclean 2463
Phone (02) 6645 2611

MAITLAND

557 High Street
Maitland 2320
Phone (02) 4934 2423

MOREE

321 Frome Street
Moree 2400
Phone (02) 6752 7531

MOSS VALE (Electrical)

Shop 4/274-276 Argyle Street
Moss Vale 2577
Phone: (02) 4868 1039

MOSS VALE (Computers)

Shop 1
10 Clarence Street
Moss Vale 2577
Phone: (02) 4869 4561

MUDGEES

Cnr Oporto &
Lisbon Roads
Mudgee 2850
Phone (02) 6372 6514

NEWCASTLE (BENNETTS GREEN)

7 Abdon Close
Bennetts Green 2290
Phone (02) 4948 4555

NOWRA

Cnr Central Avenue
& Princess Highway
Nowra 2541
Phone (02) 4421 1300

ORANGE

Cnr Lone Pine Ave &
Mitchell Highway
Orange 2800
Phone (02) 6361 4111

PARKES

Shop 1, Saleyard Road
Parkes 2870
Phone (02) 6862 2800

PORT MACQUARIE

140 Lake Road
Port Macquarie 2444
Phone (02) 6581 0088

TAMWORTH

43 The Ringers Road
Tamworth 2340
Phone (02) 6765 1100

Directory of Harvey Norman Shopping Complexes (continued)

TAREE

9 Mill Close
Taree 2430
Phone (02) 6551 3699

TWEED HEADS

29-41 Greenway Drive
Tweed Heads 2486
Phone (07) 5524 0111

WAGGA

Homebase Centre
7-23 Hammond Avenue
Wagga 2650
Phone (02) 6933 7000

WARRAWONG

Cnr King Street &
Shellharbour Road
Warrawong 2502
Phone (02) 4275 2722

WARRAWONG (HOMESTARTERS)

Lot 12 King Street
Warrawong 2502
Phone (02) 4276 5000

YOUNG

326 Boorowa Street
Young 2594
Phone (02) 6382 5744

NORTHERN TERRITORY

DARWIN

644 Stuart Highway
Berrimah 0828
Phone: (08) 8922 4111

QUEENSLAND

BRISBANE SUBURBAN

ASPLEY

1411-1419 Gympie Road
Aspley 4034
Phone (07) 3834 1100

BRISBANE – BROADWAY ON THE MALL

Shop SF01
170 Queen Street
Brisbane 4000
Phone: (07) 3013 2800

BROWNS PLAINS

Unit 3
28 – 48 Browns Plains Road
Browns Plains 4118
Phone: (07) 3380 0600

CARINDALE

Homemaker Centre
Cnr Carindale Street and
Old Cleveland Road
Carindale 4152
Phone (07) 3843 1700

EVERTON PARK

429 Southpine Road
Everton Park 4053
Tel. (07) 3550 4444

FORTITUDE VALLEY

Brisbane City Gate
Shop 1, 1058 Ann Street
Fortitude Valley 4006
Tel. (07) 3620 6600

INDOOROOPILLY

Shop 2044
Westfield Shoppingtown
Indooroopilly 4068
Phone: (07) 3327 1300

MORAYFIELD

Lot 8
Cnr Morayfield & Station Roads
Morayfield 4506
Phone: (07) 5428 8000

MT GRAVATT

Big Top Showrooms
1290 Logan Road
Mt Gravatt 4122
Phone: (07) 3347 4111

OXLEY

2098 Ipswich Road
Oxley 4075
Phone: (07) 3332 1100

QUEENSLAND COUNTRY

AYR

Cnr 101 Queen &
Edward Street
Ayr 4807
Phone: (07) 4783 3188

BERNOTHS - TOOWOOMBA

675 Ruthven Street
Toowoomba 4350
Phone (07) 4632 9444

BUNDABERG

125 Takalvan Street
Bundaberg 4670
Phone (07) 4151 1570

BUNDALL (GOLD COAST)

29-45 Ashmore Road
Bundall 4217
Phone (07) 5584 3111

CAIRNS

101 Spence Street
Portsmith 4870
Phone (07) 4051 8499

DALBY

58 Patrick Street
Dalby 4405
Phone: (07) 4672 4444

Directory of Harvey Norman Shopping Complexes (continued)

GLADSTONE

60 Hanson Road
Gladstone 4680
Phone (07) 4972 9900

HERVEY BAY

Cnr Boat Harbour Drive
& O'Rourke Street
Hervey Bay 4655
Phone: (07) 4124 3870

INNISFAIL

52/57 Ernest Street
Innisfail 4860
Phone: (07) 4061 1433

KAWANA WATERS (SUNSHINE COAST)

Lot 28 Nicklin Way
Minyama Gardens
Kawana Waters 4575
Phone (07) 5444 8277

MACKAY

Cnr Bruce Highway & Heath's Road
Glenella 4740
Phone (07) 4942 2688

NOOSA

7-9 Gibson Road
Noosaville 4566
Phone (07) 5473 1911

ROCKHAMPTON

407 Yaamba Road
North Rockhampton 4701
Phone (07) 4926 2755

TOOWOOMBA

910-932 Ruthven Street
Toowoomba 4350
Phone: (07) 4636 7300

TOOWOOMBA (HOMESTARTERS)

910-932 Ruthven Street
Toowoomba 4350
Phone: (07) 4636 7300

TOWNSVILLE

238-262 Woolcock Street
Townsville 4810
Phone: (07) 4725 5561

WARWICK

Cnr Victoria St & Palmerin Sts
Warwick 4370
Phone: (07) 4666 9000

TASMANIA

BURNIE

64 Mount Street
Burnie 7320
Phone: (03) 6431 9133

DEVONPORT

Cnr Best Street
& Fenton Way
Devonport 7310
Phone: (03) 6420 6615

GLENORCHY

313 Main Road
Glenorchy 7010
Phone: (03) 6272 5555

HOBART CITY

171 Murray Street
Hobart 7000
Phone: (03) 6230 1100

LAUNCESTON

Cnr William and
Charles Streets
Launceston 7250
Phone: (03) 6331 8588

LAUNCESTON (Bedding Specialist)

151 York Street
Launceston 7250
Phone: (03) 6334 6222

ROSNY

33 Bligh Street
Rosny 7018
Phone: (03) 6210 4444

ULVERSTONE

5-7 Reibey Street
Ulverstone 7315
Phone: (03) 6425 1944

VICTORIA

MELBOURNE SUBURBAN

CRANBOURNE

Cnr South Gippsland Highway &
Thompson Road
Cranbourne 3977
Phone (03) 5991 0000

DANDENONG

Cnr Frankston-Dandenong &
Greens Roads
Dandenong 3175
Phone: (03) 9706 9992

GREENSBOROUGH(Electrical & Computers only)

Shop 227
25 Main Street
Greensborough 3088
Phone: (03) 9433 5555

KNOX

Shop 8001, Knox City Centre
Capital City Boulevard
Wantirna South 3125
Phone: (03) 9881 3700

Directory of Harvey Norman Shopping Complexes (continued)

MARIBYRNONG (Highpoint)

169 Rosamond Road
Maribyrnong 3032
Phone: (03) 9318 2700

MOORABBIN

420 South Road
Moorabbin 3189
Phone: (03) 9555 1222

NUNAWADING

396-408 Whitehorse Road
Nunawading 3131
Phone: (03) 9872 6366

PRESTON

121 Bell Street
Preston 3072
Phone (03) 9269 3300

SOUTHLAND (Cheltenham)

Shop M2 Westfield Southlands
Cnr Nepean & Bay Road
Cheltenham 3196
Phone: (03) 9585 6500

WATERGARDENS

450 Melton Highway
Taylors Lakes 3037
Phone: (03) 9449 6300

VICTORIAN COUNTRY

BAIRNSDALE

294 Main Road
Bairnsdale 3875
Phone: (03) 5153 9700

BALLARAT

Cnr Howitt and Gillies Street
Wendouree 3355
Phone: (03) 5332 5100

BENDIGO

Cnr High & Ferness Streets
Kangaroo Flat 3555
Phone: (03) 5447 2333

GEELONG

420 Princess Highway
Corio 3214
Phone: (03) 5274 1077

HAMILTON

Shop 10
Hamilton Central Plaza
Gray Street
Hamilton 3300
Phone: (03) 5551 3500

MILDURA

Cnr Fifteenth Street &
Etiwanda Ave
Mildura 3500
Phone: (03) 5051 2200

MOE

19 Moore Street
Moe 3825
Phone: (03) 5127 9500

SALE

363-373 Raymond Street
Sale 3850
Phone: (03) 5144 3677

SHEPPARTON

7950 Goulburn Valley Highway
Shepparton 3630
Phone (03) 5823 2530

SWAN HILL

155 Campbell Street
Swan Hill 3585
Phone: (03) 5032 2901

TRARALGON

123 Argyle Street
Traralgon 3844
Phone (03) 5174 8177

WANGARATTA

8-12 Murphy Street
Wangaratta 3677
Phone: (03) 5721 6377

WARRAGUL

33 Victoria Street
Warragul 3820
Phone: (03) 5623 9000

WARRNAMBOOL

84 Raglan Parade
Warrnambool 3280
Phone (03) 5564 7700

WONTHAGGI

37 McKenzie Street
Wonthaggi 3995
Phone: (03) 5672 1490

SOUTH AUSTRALIA

ADELAIDE SUBURBAN

ENFIELD

449 Main North Road
Enfield 5085
Phone: (08) 8342 8888

MARION

822-826 Marion Road
Marion 5043
Phone (08) 8375 7777

MUNNO PARRA

Lot 2005, Main North Road
Smithfield 5114
Phone (08) 8254 0700

Directory of Harvey Norman Shopping Complexes (continued)

NOARLUNGA

Seaman Drive
Noarlunga 5168
Phone (08) 8329 5400

SOUTH AUSTRALIAN COUNTRY

MT GAMBIER

Jubilee Highway East
Mt Gambier 5290
Phone (08) 8724 6800

WHYALLA

Cnr Jamieson and
Kelly Streets
Whyalla 5600
Phone (08) 8645 6100

WESTERN AUSTRALIA

PERTH SUBURBAN

BELMONT

Shop 80 Belmont Forum
Abernethy Road
Belmont 6104
Phone: (08) 9479 4377

CANNINGTON

1363 Albany Highway
Cannington 6107
Phone: (08) 9311 1100

CITY WEST

25 Sutherland Street
West Perth 6005
Phone: (08) 9215 8600

FREMANTLE

13-19 William Street
Fremantle 6160
Phone: (08) 9335 6266

JOONDALUP

36 Clarke Crescent
Joondalup 6027
Phone: (08) 9301 3311

MADDINGTON

Shop 80 Maddington Shop Centre
Atfield Street
Maddington 6109
Phone: (08) 9459 5222

MANDURAH

Mandurah Forum
6/318 Pinjarrah Road
Mandurah 6210
Phone: (08) 9535 6166

MIDLAND

252-254 Great Eastern Highway
Midland 6056
Phone: (08) 9274 9800

MORLEY

40 Rudloc Road
Morley 6062
Phone: (08) 9375 0200

O'CONNOR

133 Garling Street (Cnr Stock Road)
O'Connor 6163
Phone: (08) 9337 0888

OSBORNE PARK

469-475 Scarborough Beach Road
Osborne Park 6017
Phone: (08) 9441 1100

PORT KENNEDY

400-402 Saltaire Way
Port Kennedy 6168
Phone: (08) 9524 0111

WARWICK

Shop 4, Warwick Grove S/Centre
Beach Road
Warwick 6024
Phone: (08) 9243 2300

WESTERN AUSTRALIA COUNTRY

ALBANY

136 Lockyer Avenue
Albany 6330
Phone (08) 9841 1628

BUNBURY

34 Denning Road
East Bunbury 6230
Phone (08) 9722 0111

BUSSELTON

28-34 Bussell Highway
Busselton 6280
Phone (08) 9752 1336

GERALDTON (Furniture & Bedding)

38 Chapman Road
Geraldton 6530
Phone (08) 9964 0111

GERALDTON (Computers)

16 Anzac Terrace
Geraldton 6530
Phone (08) 9964 0111

KALGOORLIE

Southland Shopping Centre
Oswald Street
Kalgoorlie 6430
Phone (08) 9021 1400

KARRATHA

Unit 5 Lot 3818
Balmoral Road
Karratha 6174
Phone (08) 9144 1589

Directory of Harvey Norman Shopping Complexes (continued)

PORT HEDLAND

Boulevard Shopping Centre
Anderson Street
Port Hedland 6721
Phone (08) 9173 8000

NEW ZEALAND

CHRISTCHURCH

Cnr Moorhouse Ave
& Colombo Street
Christchurch
Phone: 0011 643 353 2440

DUNEDIN

Cnr MacLaggan
& Rattay Streets
Dunedin
Phone: 0011 643 471 6510

HASTINGS

303 St Aubyns Street East
Hastings
Phone: 0011 646 873 7150

MANUKAU

Manukau SupaCenta
Ronwood Avenue
Manukau City
Auckland
Phone: 0011 649 262 7050

MT WELLINGTON

20-54 Mt Wellington Highway
Mt Wellington
Auckland
Phone: 0011 649 570 3440

NEW PLYMOUTH

Cnr Smart & Devon Roads
New Plymouth
Phone: 0011 646 759 2900

PALMERSTON NORTH

361-371 Main Steet West
Palmerston North
Phone: 0011 646 350 0400

PORIRUA

19 Parumoana Street
Porirua
Wellington
Phone: 0011 644 237 2600

WAIRAU PARK

10 Croftfield Lane
Wairau Park North
Glenfield
Phone: 0011 649 441 9750

DOMAYNE

AUBURN

103-123 Parramatta Road
Auburn 2144
Phone: (02) 9648 5411

BUNDALL

Cnr Racecourse &
Ashmore Roads
Bundall 4217
Phone: (07) 5553 2100

CAMPBELLTOWN

8 Blaxland Road
Campbelltown 2560
Phone: (02) 4627 4311

FORTITUDE VALLEY

Brisbane City Gate
Shop 1, 1058 Ann Street
Fortitude Valley 4006
Phone: (07) 3620 6600

FYSHWICK

80 Collie Street
Fyshwick 2604
Phone: (02) 6126 2500

GOSFORD

Cnr Pacific Highway
& Manns Road
West Gosford 2250
Phone: (02) 4322 5555

KOTARA

18 Bradford Place
Kotara 2289
Phone: (02) 4941 3900

LIVERPOOL

Liverpool Mega Centre
Orange Grove Road
Liverpool 2170
Phone: (02) 8778 2222

PENRITH

1st Floor
Cnr Wolseley Street and
Mulgoa Road
Penrith 2750
Phone: (02) 4737 5000

WARRAWONG

119 – 121 King Street
Warrawong 2502
Phone: (02) 4255 1800

JOYCE MAYNE

MT DRUITT

Shops 70 Marketown Centre
Cnr Luxford & Carlisle Avenue
Mt Druitt 2770
Phone: (02) 9832 9411

LIGHTING SHOWROOMS

AUBURN

241 Parramatta Road
Auburn 2144
Phone (02) 9202 4888

Directory of Harvey Norman Shopping Complexes (continued)

CROWS NEST

Spectrum Building, Podium Level
220 Pacific Highway
Crows Nest 2065
Phone: (02) 9929 3833

ERINA (GOSFORD)

168-170 The Entrance Road
Erina 2250
Phone: (02) 4367 6444

PENRITH

Cnr Wolseley Street and
Mulgoa Road
Penrith 2750
Phone: (02) 4737 8960

EAST TIMOR

DILI

Cruzamento Das Ruas Dr
Antonio Carvalho E
Belarmino Lobo Dili
Phone: 08 8947 1475

SLOVENIA

LJUBLJANA

Letalska 3d
1000 Ljubljana
Phone: 0011 386 1585 5000

SINGAPORE

HARVEY NORMAN BUKIT PANJANG

No. 1 Jelebu Road
#03-08/09 Bukit Panjang Plaza
Singapore 677743
Phone: 0011 65 6767 1402

HARVEY NORMAN CENTREPOINT

176 Orchard Road
#03-08 Centrepoint
Singapore 238843
Phone: 0011 65 6732 8686

HARVEY NORMAN FUNAN CENTRE

109 North Bridge Road
#02-02/08 Funan Centre
Singapore 170097
Phone: 0011 65 6334 5432

HARVEY NORMAN HOUGANG MALL

90 Hougang Avenue 10
#02-13 NTUC Hougang Mall
Singapore 538766
Phone: 0011 65 6488 2305

HARVEY NORMAN MILLENIA WALK

No. 9 Raffles Boulevard
#02-27 Millenia Walk
Singapore 039596
Phone: 0011 65 6311 9988

HARVEY NORMAN NORTHPOINT

930 Yishun Avenue 2
#B02-05/09 Northpoint Shopping Centre
Singapore 769098
Phone: 0011 65 6757 7695

HARVEY NORMAN PARKWAY

80 Marine Parade Road
#02-34/36 Parkway Parade
Singapore 449269
Phone: 0011 65 6346 4705

HARVEY NORMAN RAFFLES CITY

252 North Bridge Road
#03-22 Raffles City Shopping Centre
Singapore 179103
Phone: 0011 65 6339 6777

HARVEY NORMAN SUNTEC CITY

3 Temasek Boulevard
#02-001 Suntec City Mall
Singapore 038983
Phone: 0011 65 6332 3463

HARVEY NORMAN TAMPINES MART

No. 9 Tampines Mart
#02-01 Tampines Street 32
Singapore 529286
Phone: 0011 65 6789 3818

HARVEY NORMAN WESTMALL

No. 1 Bt Batok Central Link
#03-06/09 West Mall
Singapore 658713
Phone: 0011 65 6794 2812