



Company Information

HARVEY NORMAN HOLDINGS LIMITED
ABN 54 003 237 545
Year Ended 30 June 2005

KEY DATES:

2 September 2005

Announcement of Full Year Profit to 30 June 2005
Announcement of Final 2005 Dividend

11 November 2005

Record date for determining entitlement to Final 2005 Dividend

22 November 2005

Annual General Meeting of Shareholders

The Annual General Meeting of the Shareholders of Harvey Norman Holdings Limited will be held at Tattersalls
181 Elizabeth Street, Sydney, at 11:00am.

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

12 December 2005

Payment of Final 2005 Dividend

28 February 2006

Announcement of Half-Year Profit to 31 December 2005
Announcement of Interim 2006 Dividend

19 April 2006

Record date for determining entitlement to Interim 2006 Dividend

8 May 2006

Payment of Interim 2006 Dividend

Registered Office:

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Telephone: (02) 9201 6111
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Share Registry:

Registries Limited
Level 2, 28 Margaret
Street
Sydney NSW 2000
Telephone: (02) 9290 9600

Stock Exchange Listing:

Harvey Norman Holdings
Limited shares are quoted on
the Australian Stock Exchange
("ASX")

Bankers:

Australia & New Zealand
Banking Group Limited

Auditors:

Ernst & Young

Solicitors:

Brown Wright Stein



Contents

Company Information	1
Contents	2
Financial Highlights	3
Chairman's Report	4
Directors' Report	10
Statement of Corporate Governance Practices	24
Statement of Financial Position	30
Statement of Financial Performance	32
Statement of Cash Flows	33
Segment Information	36

Notes to and forming part of the Financial Statements for the year ended 30 June 2005:

1. Statement of Significant Accounting Policies	45	22. Interest-Bearing Liabilities (Non-Current)	61
2. Revenues from Ordinary Activities	50	23. Provisions (Non-Current)	62
3. Expenses and Losses/(Gains)	51	24. Other Liabilities (Non-Current)	62
4. Income Tax	52	25. Contributed Equity	63
5. Earnings Per Share	53	26. Reserves	64
6. Receivables (Current)	54	27. Retained Profits and Dividends	65
7. Other Financial Assets (Current)	54	28. Statement of Cash Flows	67
8. Inventories (Current)	55	29. Impact of Adopting Australian Equivalents to IFRS	68
9. Other Assets (Current)	55	30. Employee Benefits	73
10. Receivables (Non-Current)	55	31. Remuneration of Auditors	77
11. Inventories (Non-Current)	55	32. Director and Executive Disclosures	78
12. Other Financial Assets (Non-Current)	56	33. Related Party Transactions	89
13. Other Assets (Non-Current)	56	34. Commitments	90
14. Property, Plant & Equipment (Non-Current)	57	35. Contingent Liabilities	92
15. Intangible Assets (Non-Current)	60	36. Financing Arrangements	92
16. Deferred Tax Assets (Non-Current)	60	37. Financial Instruments	93
17. Payables (Current)	60	38. Other Segment Information	98
18. Interest-Bearing Liabilities (Current)	60	39. Associates and Joint Venture Entities	99
19. Tax Liabilities (Current)	60	40. Controlled Entities and Unit Trusts	103
20. Provisions (Current)	61	41. Deed of Cross Guarantee	119
21. Other Liabilities (Current)	61		

Directors' Declaration	121
Independent Audit Report	122
Shareholder Information	124
Directory of "Harvey Norman" Complexes	125



Financial Highlights

In a climate of difficult and in some cases contracting market conditions, the Company and controlled entities and Harvey Norman franchisees increased both revenues and market shares in key product categories.

Weaker trading conditions experienced by retailers and the impact of external factors affecting the level of family spending resulted in unprecedented pressure on margins.

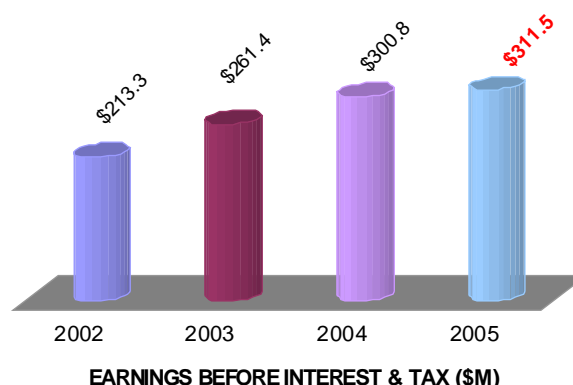
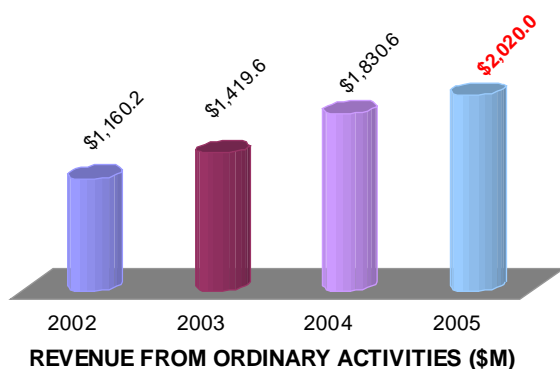
The consolidated operating profit of the Company before tax and before exclusion of minority interests was \$269.65 million, for the twelve months ended 30th June 2005 compared to \$269.31 million for the prior year. Net profit attributable to members of the Company after tax and outside equity interests was \$171.44 million compared to \$176.05 million for the prior year, a decrease of 2.62%

The directors have recommended payment of a final dividend of 3.5 cents, fully franked on each share, to be paid on 12 December 2005.

Return on shareholders' funds was 13.5%.

	CONSOLIDATED		
	2005 \$000	2004 \$000	% Change
Revenues from ordinary activities *	2,020,001	1,830,553	10.35%
Profit from ordinary activities before income tax expense and borrowing costs *	311,520	300,772	3.57%
Borrowing costs *	41,868	31,460	33.08%
Income tax expense relating to ordinary activities *	81,102	82,353	(1.52%)
Net profit for the period attributable to members	171,435	176,052	(2.62%)
Basic earnings per share on issue at 30 June (cents)	16.20	16.63	(2.59%)
Dividends per share (cents)	6.5	7.5	(13.33%)
Net tangible assets per share at 30 June (\$)	1.19	1.09	9.17%

*Including outside equity interests.





Chairman's Report

Business Performance and Outlook

Group consolidated operating profit before tax and before exclusion of minority interests was \$269.65 million, for the twelve months ended 30 June 2005 compared to \$269.31 million for the prior year.

Net profit attributable to members after tax and outside equity interests decreased from \$176.05 million for the twelve months ended 30 June 2004, to \$171.44 million for the twelve months ended 30 June 2005, a decrease of 2.62%. The decrease is largely due to a reduction in the segment result before tax from franchising operations from \$171.09 million in respect of the previous period to \$168.16 million in respect of the period ending 30 June 2005. Franchisees experienced difficult trading conditions and margin pressures, particularly during the second half of the financial year. Critical elements of these conditions and pressures were:

- rising fuel costs affecting family income;
- average sell price degradation;
- downturn in the residential property market substantially impacting on Harvey Norman renovation and commercial franchisees; and
- reduced sales of air conditioning and refrigeration equipment, attributable to mild summer conditions

Despite the difficult trading conditions, Harvey Norman franchisees and controlled entities increased market shares in key product categories.

The net profit result for the previous year included approximately \$4.8 million contribution to net profit from the sale of industrial warehouses in Caringbah and offices/warehouses in Riverwood. For the purposes of comparison, excluding these transactions, net profit attributable to members for the previous twelve months ending 30 June 2004 would be \$171.25 million compared to \$171.44 million for the twelve months ended 30 June 2005.

Basic earnings per share was 16.20c.

Sales for the twelve months ended 30 June 2005 from franchised "Harvey Norman" complexes, group stores in New Zealand, Slovenia, and Ireland (excluding operations of Pertama Holdings Limited, Singapore and Rebel Sport Limited) totalled \$4.06 billion compared to \$3.67 billion for the prior year, an increase of 10.63%. Like for like sales increased by 5.30% over the corresponding period. Opening new Harvey Norman complexes will positively impact future sales growth.

During the twelve months to 30 June 2005, nine new complexes have been opened in Australia, including five Harvey Norman complexes, three Joyce Mayne complexes and one Domayne complex. In New Zealand, two new complexes were opened during the year.

The Harvey Norman dominant market share in key product groups within the consumer electronics and computer market has Harvey Norman franchisees well placed as these two product groups continue to converge. Plasma and LCD Screens, personal computers, digital imaging, digital hard drive recorders, portable media players and home networking have strong potential for improved revenue and overall market share.

Harvey Norman franchisees continue to lead the furniture market through the strategic brand positioning of the Harvey Norman, Domayne and Joyce Mayne product offering.

The strong diverse offer on the bedding category under the Harvey Norman brand is a key strategic asset. This category should see consistent positive growth.

Directors have recommended that a final fully franked dividend of 3.5c per share be paid on 12 December 2005 to shareholders registered at 5.00 pm, 11 November 2005.



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, Slovenia and Ireland, controlled entities such as Rebel Sport Limited in Australia, and Pertama Holdings Limited in Singapore, are up 11.08% to \$1.28 billion (2004: \$1.16 billion) for the twelve months ending 30 June 2005.

The main factors contributing to the increase were:

- Sales revenue from the New Zealand company owned stores increased by \$80.0 million New Zealand dollars or 20.4%. When sales in New Zealand were translated into Australian dollars for the purposes of this report, the increase in sales was \$91.28 million Australian dollars or 26.46%;
- Sales revenue from the controlled entity Rebel Sport Limited increased by \$11.47 million or 3.75%, including revenue from six new Rebel stores and three Glue stores opened during the year. Two Rebel stores and one Glue store were also closed during the year;
- Sales revenue from the two company owned stores in Ireland increased by €9.01 million or 33.81%. When sales in Ireland were translated into Australian dollars for the purposes of this report, the increase in sales was \$15.79 million or 35.14%. This increase is due to the inclusion of a full twelve months trading compared with ten months in the previous year and sustained advertising increasing the Harvey Norman profile;
- Sales revenue from the controlled entity Tessera Stones Pty Limited increased by \$10.43 million or 56.80% due to increased market share of the engineered stone market;
- Sales revenue from the controlled entity Space Furniture Pty Limited increased by \$6.94 million or 20.25% due to the move to the new improved showroom at Domayne Alexandria during June 2004;
- Sales revenue from the controlled entity Pertama Holdings Limited, Singapore, trading as "Harvey Norman" increased by \$7.35 million Singaporean dollars or 1.86%. When sales in Singapore were translated into Australian dollars for the purposes of this report, there was a reduction in the amount of those sales over the previous corresponding year, despite an actual increase in those sales in Singaporean dollars. The exchange rate adopted for the twelve months ending 30 June 2005 was 1.2522 compared with 1.2243 for the twelve months ending 30 June 2004. This is equivalent to a 2.28% fall in the Singaporean dollar compared to the Australian dollar.

Sales from Harvey Norman Complexes

	2002 \$billion	2003 \$billion	2004 \$billion	2005 \$billion
Sales made by Harvey Norman owned stores in New Zealand, Slovenia and Ireland	0.16	0.27	0.43	0.53
Sales made by Harvey Norman Franchisees	2.61	2.90	3.24	3.53
TOTAL	2.77	3.17	3.67	4.06



Chairman's Report (continued)

Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity. Retail sales in Harvey Norman complexes are made by independently owned franchised business entities, that are not consolidated with group results.

This information is not intended to be representative of the results of the consolidated entity and partly reflects the results of the independently owned franchised businesses not included in the consolidated results.

Sales Revenue (\$ billion)



Future Prospects

In Australia, the roll-out program for Harvey Norman, Domayne and Joyce Mayne complexes will continue.

The new Harvey Norman concept store at Castle Hill, including the inaugural Audio Visual / Information Technology (AV / IT) convergence concept, will open in November 2005.

There are currently twenty-one Harvey Norman stores in New Zealand with further stores proposed to take advantage of the dominant Harvey Norman position in New Zealand.

There are thirteen Harvey Norman stores in Singapore and one Harvey Norman store in Malaysia. It is proposed to open two more Harvey Norman stores in Singapore. Several sites are under review in Malaysia.

New store openings in Europe will give the Harvey Norman brand critical mass, greater bargaining power with suppliers and more cost effective advertising in all media, to take advantage of economies of scale.

A Harvey Norman store will be opened in November 2006 at Koper, Slovenia joining the flagship Harvey Norman complex in Ljubljana. It is proposed to open additional Harvey Norman stores in Slovenia and investigate neighbouring European countries.

In October 2005, a Harvey Norman store at Cork, Ireland will be opened. A Harvey Norman store will open in February 2006 in Limerick. It is presently contemplated that an additional six stores will be opened in Ireland over the next four years.

Equity

Total equity at 30 June 2005 (consolidated) was \$1.35 billion compared to \$1.23 billion at 30 June 2004 – an increase of \$123.64 million or 10.1%. Of the total equity of \$1.35 billion, an amount of \$77.72 million (2004: \$70.35 million) is attributable to outside equity interests in the controlled entities including Pertama Holdings Limited – Singapore and Rebel Sport Limited.



Chairman's Report (continued)

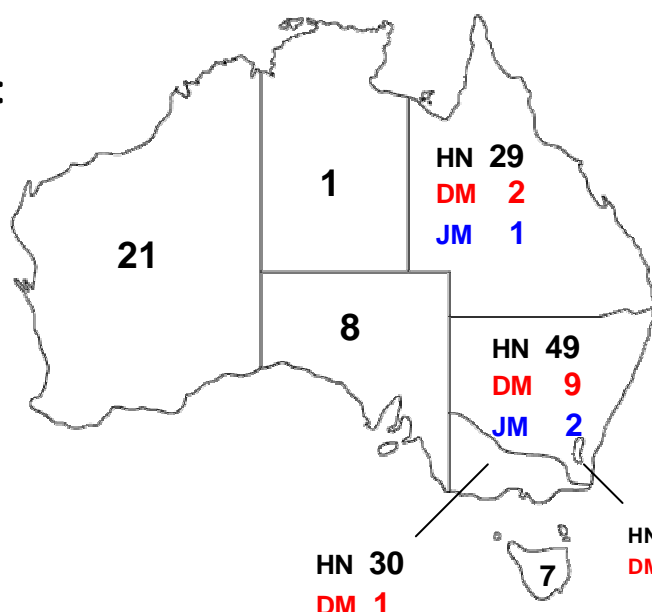
Harvey Norman

D O M A Y N E

JOYCE MAYNE
WHERE THE SMART MONEY SHOPS

Australian Market:

- 163 franchised complexes in total
- 9 new franchised complexes opened in Australia from 1 July 2004 to 30 June 2005



New Stores:

(1 July 2004 to 30 June 2005)

- NSW
 - Bondi Junction
 - Norwest
 - Goulburn
 - Alexandria (Joyce Mayne)
 - McGraths Hill (Joyce Mayne)
 - Forster
- VIC
 - Melbourne QV (Domayne)
- QLD
 - Townsville (Joyce Mayne)
- SA
 - City Cross

This diagram displays the geographic spread of the franchised Harvey Norman ("HN"), Domayne ("DM") and Joyce Mayne ("JM") complexes in the Australian market as at 30 June 2005.

New Zealand:

- 21 Harvey Norman complexes in total
- 2 new complexes opened:
(1 July 2004 to 30 June 2005)
 - Rotorua
 - Timaru

Ireland:

- 2 Harvey Norman complexes in total

Slovenia:

- flagship Harvey Norman complex in Ljubljana

Singapore:

- 13 Harvey Norman stores in total

Malaysia

- 1 Harvey Norman store

201 Harvey Norman / Domayne / Joyce Mayne Complexes & Harvey Norman Owned Stores* in total as at 30 June 2005

* including 14 stores owned by a controlled entity Pertama Holdings Limited in Singapore

Harvey Norman
Holdings Limited

Annual Report
2005



Chairman's Report (continued)

Property Portfolio

The Harvey Norman investment property portfolio consists of Harvey Norman and Domayne complexes in Australia, New Zealand and Slovenia. The property portfolio is an essential complement to the Harvey Norman brand and retail system. The ownership of the Harvey Norman and Domayne retail complexes enables shareholders to participate in the benefits of ownership of high quality commercial retail and warehouse property, tenanted by leaders in the Australian and New Zealand retail industry. The benefits flowing from the property investment portfolio include:

- Capital appreciation;
- Control of rental obligations, and avoidance of potentially crippling opportunistic rental escalations by landlords;
- Flexibility and freedom to adjust store layout and configuration to deal with changing market retail trends; and
- Capacity to attract quality third party tenants to the complex location.

The Harvey Norman investment property portfolio delivers the capacity to optimise the retail offering, enhance the Harvey Norman and Domayne brands, and at the same time achieve capital appreciation on the property portfolio.

During the year, the Directors have analysed and revalued the group property portfolio resulting in an increase of \$28.44 million in the asset revaluation reserve.

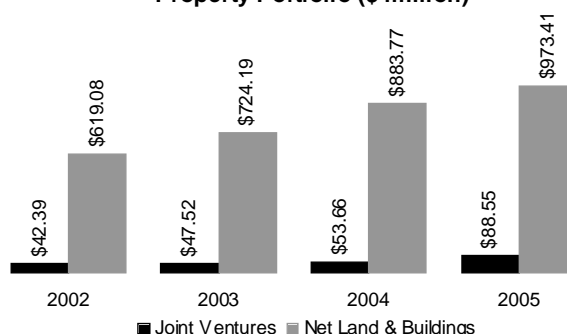
The group property portfolio at 30 June 2005 including joint venture property interests (consolidated with property held by Pertama Holdings Limited, Singapore and Rebel Sport Limited), but excluding property held for resale treated as non-current inventories of \$31.48 million, had a book value of \$1.06 billion compared to \$937.43 million at 30 June 2004. The current year figure includes freehold property owned by Pertama Holdings Limited in Singapore of \$3.48 million.

As indicated in the Segment Information note (see page 43), the yield from retail property was 9.5% and the asset return was 4.1%. When accumulated revaluations to 30 June 2005 are excluded the yield was 13.2% and the asset return was 5.6%.

Summary of Owned & Leased Complexes

	OWNED	LEASED	TOTAL
AUSTRALIA	63	100	163
NEW ZEALAND	13	8	21
SLOVENIA	1	0	1
IRELAND	0	2	2
TOTAL	77	110	187

Property Portfolio (\$ million)



As at the date of this report, the above 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.



Chairman's Report (continued)

Dividend

The recommended final dividend is 3.5 cents 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 6.5 cents fully franked.

The directors have determined that the final dividend of 3.5 cents per share should include an amount of 0.5 cents per share notionally attributable to the increase in the value of the group property portfolio. This final dividend will be paid on 12 December 2005.

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

Your directors submit their report for the year ended 30 June 2005.

Directors

Names, qualifications, experience and special responsibilities:

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 66, was the co-founder of Harvey Norman in 1982 with Mr. I. Norman. Mr. Harvey has overall executive responsibility for the strategic direction of the consolidated entity, and in particular, property investments. During the past three years Mr. Harvey has also served as a director of Rebel Sport Limited.

Kay Lesley Page - Managing Director

Ms. Page, aged 48, 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. During the past three years Ms. Page has also served as a director of the following other listed/public companies:

- Rebel Sport Limited
- National Rugby League Limited

Raymond John Skippen - Finance Director and Company Secretary

Mr. Skippen, aged 57, 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.

During the past three years Mr. Skippen has also served as a director of the following other listed companies:

- Rebel Sport Limited
- Orion Telecommunications Limited

Arthur Bayly Brew - Director

Mr. Brew, aged 55, 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 Eryn Slack-Smith - Director

Mr. Slack-Smith, aged 36, 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 48, has extensive experience as a Harvey Norman franchisee and retailer, and became a director on 5 February 2001. Mr. Hauville resigned his position as a director of the Company on 31 August 2005.

Ian John Norman - Non-Executive Director

Mr. Norman, aged 66, was co-founder of Harvey Norman with Mr. G. Harvey in 1982.

Michael John Harvey - Non-Executive Director

Mr. M. Harvey, aged 40, 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 and ceased being a member of the Audit, Remuneration and Nomination committees on 30 June 2005.

Christopher Herbert Brown - Non-Executive Director

Mr. Brown, aged 55, holds the degree of Master of Laws from the University of Sydney. Mr. Brown is the senior partner in Brown Wright Stein Lawyers. Brown Wright Stein Lawyers, the successors of 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.

Kenneth William Gunderson-Briggs – Non-Executive Director

Mr. Gunderson-Briggs, aged 43, was appointed as 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.

Graham Charles Paton AM - Non-Executive Director

Mr. Paton, aged 60, holds a Bachelor of Economics degree from the University of Sydney. During his twenty-three years as a partner of Arthur Andersen, Chartered Accountants, he was involved in the provision of professional services to several retailers. He retired from public practice in July 2001. Mr. Paton is a Fellow and Life Member of CPA Australia and was the National President of that professional accounting body in 1993/1994. In 2001 he was awarded membership of the General Division of the Order of Australia for his services to the accounting profession and for his services to the deaf community through his chairmanship of the Shepherd Centre for Deaf Children for the decade to 2001.

Mr. Paton was appointed as a director of Harvey Norman Holdings Limited on 20 June 2005. Mr. Paton was also appointed as a member of the Audit, Remuneration and Nomination Committees on 30 June 2005.

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

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

- C.H. Brown (Chairman)
- M.J. Harvey [resigned 30 June 2005]
- K.W. Gunderson-Briggs
- G.C. Paton AM [appointed 30 June 2005]

Remuneration Committee

- C.H. Brown (Chairman)
- M.J. Harvey [resigned 30 June 2005]
- K.W. Gunderson-Briggs
- G.C. Paton AM [appointed 30 June 2005]

Nomination Committee

- C.H. Brown (Chairman)
- M.J. Harvey [resigned 30 June 2005]
- K.W. Gunderson-Briggs
- G.C. Paton AM [appointed 30 June 2005]

Directors' Meetings

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

Board / Committee	Number of Meetings
Full Board	10
Audit	6
Remuneration	1
Nomination	2

Mr C.H. Brown, Mr M.J. Harvey and Mr K.W. Gunderson-Briggs attended the Remuneration Committee meeting and the Nomination Committee meetings held during the year.

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

Director	Board of Directors	Audit Committee
G. Harvey	10 [10]	n/a
K.L. Page	10 [10]	n/a
R.J. Skippen	10 [10]	n/a
A.B. Brew	9 [10]	n/a
J.E. Slack-Smith	10 [10]	n/a
S.P. Hauville	10 [10]	n/a
M.J. Harvey	10 [10]	6 [6]
C.H. Brown	10 [10]	6 [6]
I.J. Norman	10 [10]	n/a
K.W. Gunderson-Briggs	10 [10]	6 [6]
G.C. Paton	0 [0]	0 [0]

The above table represents the directors' attendance at meetings of the Board and the Audit 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 forty-two (142) 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 are:

HARVEY NORMAN HOLDINGS LIMITED		
Director	Ordinary Shares	Options
G. Harvey	311,352,866	2,000,000
I.J. Norman	175,249,660	-
K.L. Page	19,847,257	2,000,000
M.J. Harvey	3,445,553	-
R.J. Skippen	1,376,297	1,600,000
A.B. Brew	1,149,871	160,000
C.H. Brown	173,467	-
J.E. Slack-Smith	166,666	1,067,000
K. W. Gunderson-Briggs	3,000	-
G.C. Paton	-	-

Directors' Report (continued)



Beneficial Interest

Included in the Directors' Interests table on page 12 are the following shareholdings indirectly held by each of the directors:

G. Harvey	has a beneficial interest in 142,629,301 shares held by G Harvey Nominees Pty Limited, and 166,667 shares held by HVN Share Plan Pty Limited.
I.J. Norman	has a beneficial interest in 175,249,660 shares held by Dimbulu Pty Limited.
K.L. Page	has a beneficial interest in 1,932,000 shares held by Page Option Trust and 2,204,000 shares held by K. Page Pty Limited in Pertama Holdings Limited. She also has a beneficial interest in 300,000 Harvey Norman Holdings Limited shares held by K. Page Pty Limited, and 166,667 Harvey Norman Holdings Limited shares held by HVN Share Plan Pty Limited.
R.J. Skippen	has a beneficial interest in 1,096,297 shares held by ANZ nominees, and 250,000 shares held by HVN Share Plan Pty Limited.
A.B. Brew	has a beneficial interest in 627,408 shares held by ANZ nominees, and 20,000 shares held by HVN Share Plan Pty Limited.
J.E. Slack-Smith	has a beneficial interest in 166,666 shares held by HVN Share Plan Pty Limited.
M.J. Harvey	has a beneficial interest in 1,248,735 shares held by M.J. Harvey Option Trust.
C.H. Brown	has a beneficial interest in 173,467 shares held by PWSD Pty Limited and Starmoro Pty Limited.
K.W. Gunderson-Briggs	has a beneficial interest in 3,000 shares held by Nosrednug Superannuation Fund Pty Limited.
G.C. Paton	n/a

Share Options

Details of share options are set out in Note 30 and Note 32 of the financial statements and form part of this report.

Principal Activities

The principal activities of the consolidated entity continue to be that of an integrated retail and property entity including:

- 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
- Media placement

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 2005 after income tax expense was \$171.44 million. This represents a decrease of 2.6% on the net profit after income tax expense attributable to members for the year ended 30 June 2004.



Directors' Report (continued)

Dividends

The directors recommend a fully franked dividend of 3.5 cents per share be paid on 12 December 2005 (total dividend, fully franked - \$37,022,421). 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	\$
2004 final fully franked dividend	10 December 2004	47,594,255
2005 interim fully franked dividend	13 May 2005	31,729,504

Review of Group Operations

The total equity of the consolidated entity for the year ended 30 June 2005 increased over the previous financial year due to the following:

- Increased revenue from franchisees
- 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.

Net profit attributable to members of the parent entity for the year ending 30 June 2005 decreased by 2.6% over the previous year, due to difficult trading conditions and margin pressures experienced by franchisees and other controlled entities.

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.

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.

Significant Events After Balance Date

There have been no circumstances arising since the end of the year which have significantly affected or may significantly affect:

- the operations;
- the results of those operations; or
- the state of affairs of the entity or consolidated entity in future financial years

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 2005.



Directors' Report (continued)

Remuneration Report

Remuneration Policy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. The Company intends 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's philosophy is that executive rewards must be "fair and responsible" in the context of both external and internal relativities. Accordingly, all executive remuneration has been benchmarked against comparable executive rewards in comparable companies (by size). Consistent with current best practice, executive rewards must have a balance between fixed components (base salary and benefits) and variable components (short-term and long-term incentives) and that any variable components, particularly when offered in the form of shares or options, must be subject to performance conditions and service conditions.

On 30 June 2003, the Company established a remuneration committee, consisting of three non-executive directors, one of whom is an independent director. Since 30 June 2005, the remuneration committee has consisted of three members, comprising three non-executive directors, two of whom are independent.

Responsibilities of the Remuneration Committee

The Board confirmed the role and responsibilities of the remuneration committee in a written charter, which was formally adopted at a meeting of directors of the Company, held 18 August 2003.

The responsibilities of the remuneration committee include the review and making of recommendations to the board on:

- (i) executive remuneration and incentive policies;
- (ii) remuneration packages of senior management;
- (iii) the recruitment, retention and termination policies of the Company and procedures for senior management;
- (iv) incentive schemes;
- (v) superannuation arrangements;
- (vi) the remuneration framework for directors.

The remuneration policy has been designed so that the policy:

- (i) motivates directors and management to pursue long-term growth and success of the Company within an appropriate control framework; and
- (ii) demonstrates a clear relationship between key executive performance and remuneration.

The Company believes that the members of the remuneration committee can make, and do make, quality and independent judgements in the best interests of the Company on remuneration issues, notwithstanding that the members of the remuneration committee are not all independent.

Components of Executive Remuneration

The remuneration committee reviews and makes recommendations to the Board about the performance, and remuneration of all executive directors. The remuneration committee reviews recommendations of the managing director and the finance director in relation to key senior executives of the Company, other than the executive directors. No individual is directly involved in deciding his or her remuneration. The remuneration committee intends that remuneration packages of executives of the Company should involve a balance between fixed and incentive remuneration, reflecting short and long-term performance objectives, appropriate to the circumstances and goals of the Company. A proportion of the remuneration of executive directors is structured in a manner designed to link rewards to corporate and individual performance.

It is the policy of the Company that service contracts for senior management, including executive directors, have no fixed term, but should be capable of termination on a maximum of 3 months notice to the executive, but upon the basis that the Company should have the right to terminate the relevant service contract summarily, by making a payment to the terminated executive equal to not more than 3 months pay in lieu of notice.



Directors' Report (continued)

Each of the executive directors named in Table 1 of this report has a pre-existing service contract that is partly written and partly oral and does not contain a specific notice period ("Executive Director Contract"). Each Executive Director Contract can be terminated by a reasonable period of notice, subject to statute. Each of the executives named in Table 2 of this report has a pre-existing service contract that is partly written and partly oral ("Specified Executive Contract"). With the exception of the Specified Executive Contract between Rebel Sport Limited and Stephen Heath ("Heath Contract"), each Specified Executive Contract can be terminated by a reasonable period of notice, subject to statute. The Heath Contract can be terminated upon 5 weeks notice, subject to statute. The remuneration committee has determined that all future contracts for executives will be in writing and contain notice periods not exceeding 3 months.

The remuneration of executives of the Company is comprised of the following:

- a) Base salary;
- b) Other remuneration;
- c) Superannuation;
- d) Shares; and
- e) Options.

Base Salary

The base salaries of executives are determined with reference to the executive's duties and responsibilities, taking into account current market levels. Base salaries are not at risk for executives and are not dependent on the satisfaction of a performance condition.

Other Remuneration

Other remuneration includes the provision of fully-maintained motor vehicles, motor vehicle allowances, and payment of education, medical and other similar items as nominated by the executive, by way of salary sacrifice, and statutory leave entitlements.

Superannuation

The consolidated entity makes contributions to complying superannuation funds for the purpose of provision of superannuation benefits for eligible employees. 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. This component also includes any voluntary superannuation contributions as elected by the eligible employee.

Shares

The Deferred Executive Incentive Share Plan ("DEIP"), was approved by shareholders at the annual general meeting of the Company held on 25 November 2003. Details of DEIP are set out in Note 32. The Board was authorised, pursuant to the DEIP, to issue up to 2,576,666 fully paid ordinary shares in the Company to executive directors in accordance with the DEIP rules.

The Board has engaged the services of CRA Plan Managers Pty Limited, an independent firm of consultants specialising in executive remuneration and the design and implementation of employee ownership and incentive schemes, in order to assist the Board to implement remuneration plans for senior executives which comply with best practice corporate governance guidelines.

Performance conditions and service conditions are an essential component of all variable reward elements. The allocation of shares under DEIP is subject to performance and service conditions. The DEIP share allocations are short-term performance incentives for the executive directors and are assessed on earnings per share increases in the year after the issue of shares under DEIP.

The fair value of shares issued under DEIP has been disclosed as remuneration of directors on a pro-rata basis over the vesting period of those shares (see Table 1 of this report and Note 32). These shares will vest upon satisfactory achievement of specific service conditions and performance conditions.



Directors' Report (continued)

Options

The Executive Option Plan ("EOP") was approved by shareholders at the annual general meeting of the Company held on 25 November 2003. Details of this plan are set out in Note 32. The Board was authorised, pursuant to the EOP, to issue up to 11,840,000 options to subscribe for up to 11,840,000 fully paid ordinary shares in the Company and to issue 11,840,000 fully paid ordinary shares following the valid exercise of any such options in the Company to executive directors in accordance with EOP rules.

The issue of options to senior executives under EOP is designed to provide both motivation to perform and retention incentive. Options issued under EOP are subject to two performance conditions. The first performance condition is that "Earnings per share increase must be 10% per annum, cumulative" in the relevant period. The second performance condition is that "HVN Accumulated Total Shareholder Return ("TSR") must be greater than the ASX 300 Industrials Accumulation Index for two periods of 30 continuous days" in the relevant period. Growth in TSR is the aggregate of share price growth, dividends paid, and dividends reinvested on the ex-dividend date measured from the time of issue to the time of vesting or last exercise date. The relative TSR performance hurdle for the long term incentive is arguably current market best practice and ensures an alignment between comparative total shareholder return and reward for executives.

The fair value of the options issued under EOP have been valued at grant date using the Black-Scholes option pricing model, or in the case of the 2005 EOP Ackery Options disclosed in Note 32, binomial approximation valuation methodology, and has been disclosed as remuneration of relevant executives on a pro-rata basis over the vesting period of those options (See Table 1 of this report and Note 32). These options issued under EOP are exercisable, subject to satisfaction of the relevant service conditions and performance conditions under EOP.

Non-executive remuneration

The Remuneration Committee reviews and makes recommendations to the Board in respect of the remuneration paid to non-executive directors. Non-executive directors are not entitled to any retiring allowance. Fees currently paid to non-executive directors are within the aggregate limit of \$500,000 approved by shareholders at the annual general meeting held on 25 November 2003.

Directors' Report (continued)

TABLE 1: Remuneration of Directors of Harvey Norman Holdings Limited for the Year Ended 30 June 2005

	PRIMARY BENEFITS		POST-EMPLOYMENT	SHORT TERM EMOLUMENTS		LONG TERM EMOLUMENTS		TOTAL \$	% of remuneration that consists of options
	BASE SALARY \$	OTHER \$	SUPER \$	SHARES GRANTED (number)	VALUE \$	OPTIONS GRANTED (number)	AMORTISED COST \$		
G. Harvey	419,695	9,533	11,585	166,667	112,903	1,000,000	301,862	855,578	35.3%
K.L. Page	488,415	30,487	11,585	166,667	112,903	1,000,000	301,862	945,252	31.9%
R.J. Skippen	488,000	18,502	12,000	250,000	169,355	800,000	241,489	929,346	26.0%
A.B. Brew	239,769	15,238	11,585	20,000	13,548	80,000	24,149	304,289	7.9%
J.E. Slack-Smith	430,298	33,291	38,702	166,666	112,903	534,000	161,194	776,388	20.8%
S.P. Hauville	420,757	29,315	22,576	166,666	112,903	534,000	161,194	746,745	21.6%
M.J. Harvey	18,349	-	1,651	-	-	-	-	20,000	-
C.H. Brown	18,349	-	3,520	-	-	-	-	21,869	-
I.J. Norman	18,349	-	3,520	-	-	-	-	21,869	-
K.W. Gunderson-Briggs	55,046	-	4,954	-	-	-	-	60,000	-
G.C. Paton	-	-	-	-	-	-	-	-	-
	2,597,027	136,366	121,678	936,666	634,515	3,948,000	1,191,750	4,681,336	

The listed parent entity, Harvey Norman Holdings Limited, does not have any employees. Mr G.C. Paton AM was appointed as a director of the Company on 20 June 2005.

During the previous financial year, pursuant to the Harvey Norman Deferred Executive Incentive Share Plan ("DEIP"), 936,666 shares were issued as equity compensation benefits to the respective trustees of trusts for the benefit of certain specified directors. During the year ended 30 June 2005, pursuant to the DEIP, 820,002 shares were issued as equity compensation benefits to the respective trustees of trusts for the benefit of certain specified directors.

During the previous financial year, pursuant to the Harvey Norman Executive Option Plan ("EOP"), 3,948,000 options were issued as equity compensation benefits to the respective trustees of trusts for the benefit of certain specified directors of the Company. During the year ended 30 June 2005, pursuant to the EOP, 3,946,000 options were issued as equity compensation benefits to the respective trustees of trusts for the benefit of certain specified directors.

Options have been valued at grant date, using the Black Scholes-Merton valuation methodology 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 2005, 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-Merton value of \$0.5326 per option. The exercise price in respect of each option is \$3.00.

Directors' Report (continued)

Table 1 above includes the fair value of shares under DEIP and options under EOP, in each case, issued in respect of the year ended 30 June 2004 (collectively the "2003 Shares and Options") that vested during the year to 30 June 2005, under DEIP and EOP respectively. Table 1 excludes the fair value of shares under DEIP and options under EOP, in each case issued, in respect of the year ended 30 June 2005 (collectively "2004 Shares and Options") because the conditions for vesting of the 2004 Shares and Options under DEIP and EOP respectively have not been satisfied.

Pursuant to DEIP, the directors have been authorised to issue 819,998 shares as equity compensation benefits to the respective trustees of trusts for the benefit of executive directors, in respect of the year ended 30 June 2006 (the "Proposed 2005 DEIP Shares"). The Proposed 2005 DEIP Shares have not yet been issued and have not been included in the remuneration of directors' disclosures for the year ended 30 June 2005.

Pursuant to EOP, the directors have been authorised to issue 3,946,000 options as equity compensation benefits to the respective trustees of trusts for the benefit of executive directors, in respect of the year ended 30 June 2006 (the "Proposed 2005 EOP Options"). The Proposed 2005 EOP Options have not yet been issued and have not been included in the remuneration of directors' disclosures for the year ended 30 June 2005, for reasons which include the reason that the exercise price in respect of a Proposed 2005 EOP Option is a price to be equivalent to the market value of a share in the Company, the subject of a Proposed 2005 EOP Option, at a future date, and that value cannot presently be known.

Refer to Note 32.

TABLE 2: Remuneration of the Five Named Executives Who Receive the Highest Remuneration in the Consolidated Entity for the Year Ended 30 June 2005:

	PRIMARY BENEFITS			POST-EMPLOYMENT	EQUITY		TOTAL \$	% of remuneration that consists of options
	BASE SALARY \$	OTHER \$	CASH BONUS \$		OPTIONS GRANTED (number)	AMORTISED COST \$		
S.M. Heath <i>Managing Director – Rebel Sport Limited</i>	378,415	10,000	-	11,585	3,400,000	941,935	1,341,935	70.2%
M. Dunkerley <i>Managing Director – Pertama Holdings Limited, Singapore</i>	380,381	98,776	-	-	4,000,000	76,278	555,435	13.7%
G. Norman <i>Director – Harvey Norman Europe d.o.o.</i>	319,142	63,817	-	-	-	-	382,959	-
R.C.D. Champion <i>General Manager – Property (a)</i>	298,561	46,301	-	11,585	-	-	356,447	-
Pek Kem Hua @ Pek Kim Cheng <i>Managing Director – S Marina Sales & Services Sdn Bhd* (b)</i>	172,496	-	130,061	7,730	-	-	310,287	-
	1,548,995	218,894	130,061	30,900	7,400,000	1,018,213	2,947,063	

Directors' Report (continued)

- a) R.C.D Champion is employed by a wholly owned subsidiary of Harvey Norman Holdings Limited
- b) S Marina Sales & Services Sdn Bhd is a wholly owned subsidiary of Pertama Holdings Limited, Singapore

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 of the consolidated entity that have not vested as at 30 June 2005. These executive officers were executive officers of Rebel Sport Limited and Pertama Holdings Limited and they represent options to subscribe for ordinary shares in those entities.

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 2005, 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. Refer to Note 30. Employee Benefits on pages 73 to 76 for further details of these options.



Directors' Report (continued)

Relationship between Remuneration and the Performance of the Company

The Remuneration Committee is responsible for ensuring that the remuneration policies of the Company motivates directors and employees to pursue short-term goals, long-term growth and success of the Company. The different remuneration components disclosed in Table 1 and Table 2 in this report reflect the link between *at risk* remuneration of executives and the performance of the Company. The amount of *at risk* remuneration of an executive is wholly dependant upon satisfaction of the respective service conditions and performance conditions under each of DEIP and EOP.

The performance conditions in respect of 936,666 shares in the Company issued on 25 November 2003 under DEIP have been satisfied and vested in participants under DEIP.

The performance conditions in respect of options over 3,948,000 shares in the Company issued on 25 November 2003 under EOP have been satisfied and vested in participants under EOP.

The performance conditions in respect of 820,002 shares in the Company issued on 28 September 2004 under DEIP have not been satisfied and these shares will not vest in participants under DEIP.

The performance conditions in respect of options over 3,946,000 shares in the Company issued on 28 September 2004 have not been satisfied in respect of the year ended 30 June 2005, and may be satisfied in the future, but in any event no later than 31 August 2008.

Prior to 30 June 2003, the *at risk* remuneration of executive directors of the Company, was comprised of options over unissued shares in the Company, subject to service conditions, but not subject to performance conditions, and approved by shareholders in general meetings.

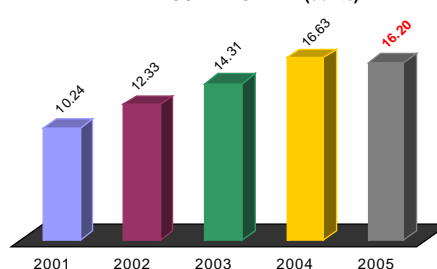
Options over shares in the Company issued on 31 August 1999 and 21 November 2000 respectively pursuant to the authority granted by shareholders in general meetings for the benefit of executive directors, not subject to performance conditions, but subject to service conditions, lapsed unexercised on 15 October 2003, without benefit to executive directors. To demonstrate, the graphs below illustrate the Company's performance for the past five financial periods.

EARNINGS BEFORE INTEREST & TAX (\$ million)



Earnings Before Interest & Tax (\$ million) for the past five years

EARNINGS PER SHARE (cents)



Earnings Per Share (cents) for the past five years

AVERAGE SHARE PRICE (\$)



Average Share Price (\$) for the past five years

2001 2002 2003 2004 2005



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 \$58,905 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 have entered 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.

Auditor Independence and Non-Audit Services

During the year, Harvey Norman Holdings Limited's auditors, Ernst & Young, provided non-audit services to Harvey Norman Group entities. In accordance with advice from the Company's Audit Committee, the directors are satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act. Also, in accordance with advice from the Audit Committee, the directors are satisfied that the nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for the provision of non-audit services during the year ended 30 June 2005 are as follows:

- Tax compliance services \$55,731
- Accounting advice \$47,004
- Other services \$20,572



Directors' Report (continued)

Auditor Independence and Non-Audit Services

The directors received the following declaration from the auditor of Harvey Norman Holdings Limited.



■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

■ Tel 61 2 9248 5555
Fax 61 2 9248 5959
DX Sydney Stock
Exchange 10172

Auditors' Independence Declaration to the Directors of Harvey Norman Holdings Limited

In relation to our audit of the financial report of Harvey Norman Holdings Limited for the financial year ended 30 June 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Craig M. Jackson
Partner
Sydney
26 September 2005

Signed in accordance with a resolution of directors.

G. HARVEY
Chairman

R.J. SKIPPEN
Director

K.L. PAGE
Director

Sydney
26 September 2005

Harvey Norman
Holdings Limited

Annual Report
2005
23

The Company is committed to good corporate governance and disclosure. The Company has substantially adopted the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" for the entire financial period, unless otherwise stated. Where the ASX Corporate Governance Council's recommendations have not been adopted by the Company, this is identified and explained below.

1. Lay solid foundations for management and oversight

1.1 Recognise and publish the respective roles and responsibilities of the board and management

The directors of the Company are accountable to shareholders for the proper management of the business and affairs of the Company. The managing director is a member of the board but does not hold the position of chairperson.

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 policies of the Company; and
- comply with reporting and other requirements of the law.

The board confirmed the role and responsibilities of the board in a written board charter, which was formally adopted at a meeting of directors of the Company held 18 August 2003. A copy of the board's charter is available on the company's website.

2. Structure the board to add value

2.1 Composition of the board

The constitution of the Company provides that the number of directors must be not less than three. There are presently ten (10) directors. The executive directors are the Chairman (Mr G. Harvey), Managing Director (Ms K.L. Page), Finance Director (Mr R.J. Skippen), together with Mr A. Brew and Mr J.E. Slack-Smith. All other directors are non-executive directors. Two of the non-executive directors, Mr. K.W. Gunderson-Briggs, and Mr G.C.Paton AM (appointed 20 June 2005) are independent directors. Mr S.P. Hauville resigned as a director of the Company on 31 August 2005. A majority of the members of the board are not independent directors. The board believes that the individuals on the board can make, and do make, quality and independent judgements 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. The directors are able to obtain independent advice at the expense of the Company. The skills, experience and term of office of each director is disclosed in the Directors' Report.

The board considers a director to be an independent director if that director is a non-executive director (i.e. is not a member of management) and:

- (i) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (ii) within the last three (3) years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- (iii) within the last three (3) years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (iv) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (v) has no material contractual relationship with the Company or another group member other than as a director of the Company;

- (vi) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- (vii) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Chairperson of the board

The chairperson is an executive director, and therefore 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 judgement 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 the 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.

2.2 Nomination committee

The nomination committee consists of three non-executive directors, two of whom are independent. The responsibilities of the nomination committee include the identification of individuals qualified to become members of the board and to recommend those individuals to the board for nomination as members of the board and committees of the board.

The board confirmed the role and responsibilities of the nomination committee in a written charter adopted by the board. A copy of the nomination committee's charter is available on the Company's web-site. Details of the membership of the nomination committee, meetings of the nomination committee held, and attendance at meetings of the nomination committee are discussed in the Directors' Report.

The board has assessed the performance of individual directors and the board as a whole, and determined, apart from the appointment of Mr. G.C. Paton AM as a director on 20 June 2005, there was no need during the reporting period, and there is no present need, for the appointment of any additional directors. The board recognised that from 30 June 2005, the audit committee was required to be comprised of not less than three members, the majority of whom must be independent directors. The nomination committee recommended to the board that an additional director be appointed with financial expertise and experience in the retail industry. The nomination committee identified a number of individuals qualified to become members of the board, and after consideration, recommended Mr. G.C. Paton AM to the board for nomination as a member of the board, and a member of the audit committee, remuneration committee and nomination committee. Mr. G.C. Paton AM is a fellow of CPA Australia, with financial expertise and experience in the retail industry and satisfied the criteria set by the board for an independent director.

3. Promote ethical & responsible decision-making

The Company has:

- (i) clarified the standards of ethical behaviour required of directors and key executives (that is, officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the business and its financial performance) and encourages the observance of those standards; and
- (ii) published the position of the Company concerning the issue of board and employee trading in Company securities.

3.1 Code of conduct

The Company has established a code of conduct to guide the non-executive directors, the managing director, the finance director and other key executives as to:

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

The code of conduct deals with the following matters:

- (i) conflicts of interest - managing situations where the interest of a private individual interferes or appears to interfere with the interests of the Company as a whole;
- (ii) corporate opportunities - preventing directors and key executives from taking advantage of property, information or position, or opportunities arising from these, for personal gain or to compete with the Company;
- (iii) confidentiality - restricting the use of non-public information except where disclosure is authorised or legally mandated;
- (iv) fair dealing - by all employees with the customers, suppliers, competitors and employees of the Company;
- (v) protection and proper use of the assets of the Company - protecting and ensuring efficient use of assets for legitimate business purposes;
- (vi) compliance with laws and regulations - active promotion of compliance; and
- (vii) encouraging the reporting of unlawful or unethical behaviour - active promotion of ethical behaviour and protection for those who report violations in good faith.

3.2 Trading in Company securities by directors, officers and employees

The Company has 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 chairperson before they or their close relatives buy or sell Company securities.

4. 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.

4.1 Statement to the board by the managing director and finance director

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.

4.2 Audit committee - structure and purpose

The board has established an audit committee. The audit committee provides assistance to the board 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 maintains free and open communication between the audit committee, the auditors and management of the Company. From 30 June 2003, the audit committee was structured so that it consisted of three members, comprising three non-executive directors (one of whom was and remains independent). Since 30 June 2005, the audit committee has consisted of three members, comprising three non-executive directors, two of whom are independent directors. The audit committee must consist of not less than three members and the majority of the members of the audit committee must be independent directors.

The chairperson of the audit committee must not be the chairperson of the board of directors. The composition of the audit committee, the meetings held, and the attendance of those meetings is discussed in the Directors' Report.

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

The board confirmed the role and responsibilities of the audit committee in a written charter, which was formally adopted at a meeting of directors of the Company held 18 August 2003. A copy of the audit committee's charter is available on the company's website. The audit committee meets not less than four times each year.

The purpose of the audit committee is to:

- (iii) review and approve audit plans;
- (iv) review and approve the half-year financial report;
- (v) update the internal and external audit plans;
- (vi) review and approve the annual financial report; and
- (vii) meet in private session at least annually to assess the effectiveness of management.

The audit committee makes a report to the board in relation to matters relevant to the role and responsibilities of the committee, including:

- (i) assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- (ii) assessment of the management processes supporting external reporting;
- (iii) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (iv) recommendations for the appointment or removal of an auditor;
- (v) assessment of the performance and independence of the external auditors and whether the audit committee is satisfied that the independence of this function has been maintained having regard to the provision of any non-audit services;
- (vi) assessment of the performance and objectivity of the internal audit function; and
- (vii) the results of its review of risk management and internal compliance and control systems.

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.

During the reporting period, the audit committee met with the external auditor to review the independence of the external auditor and discuss the need for rotation of external audit engagement partners. The audit committee determined that there was no need for any change in the external auditor.

5. Timely and balanced disclosure

The Company has established 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.

The Company has established policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The board authorises all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

6. Respect the rights of shareholders

The Company has 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.

All relevant disclosures made in accordance with ASX Listing Rule disclosure requirements are placed on the website of the Company after they have been released to, and acknowledged by the ASX.

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 auditor's report.

7. Recognise and manage 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 and the external and internal 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 and internal auditor any audit problems or difficulties and the response of management;
- (iv) receives reports from the external and internal 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 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;
- (viii) 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) that the accounts are true and fair and comply with accounting standards, are 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 control 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.

8. Encourage enhanced 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.

There has been no formal performance evaluation for the board, the members of the board, committees or individual directors undertaken in the reporting period. The board informally evaluates the performance of the board, the members of the board, committees and individual directors during each meeting of the board. The board believes that the individuals on the board have made quality and independent judgments in the best interests of the

Company on all relevant issues during the reporting period. There has been a formal performance evaluation of all key executives (other than the executive directors) during the reporting period.

9. Remunerate fairly & equally

The Company intends to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined. On 30 June 2003, the Company established a remuneration committee, consisting of three non-executive directors, one of whom was and remains an independent director. Since 30 June 2005, the remuneration committee has consisted of three members, comprising three non-executive directors, two of whom are independent.

The board confirmed the role and responsibilities of the remuneration committee in a written charter, which was formally adopted at a meeting of directors of the Company, held 18 August 2003. A copy of the remuneration committee's charter is available on the company's website.

The responsibilities of the remuneration committee include the review and making of recommendations to the board on:

- (i) executive remuneration and incentive policies;
- (ii) remuneration packages of senior management;
- (iii) the recruitment, retention and termination policies of the Company and procedures for senior management;
- (iv) incentive schemes;
- (v) superannuation arrangements;
- (vi) the remuneration framework for directors.

The remuneration policy of the Company has been designed so that the policy:

- (i) motivates directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- (ii) demonstrates a clear relationship between key executive performance and remuneration.

The remuneration committee reviews the performance, and negotiates the remuneration of all executive directors. The remuneration committee reviews recommendations of the managing director and the finance director in relation to all employees of the Company, other than the executive directors. No individual is directly involved in deciding his/her remuneration. The remuneration committee believes that remuneration packages of executives of the Company involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives, appropriate to the circumstances and goals of the Company. A proportion of the remuneration of executive directors is structured in a manner designed to link rewards to corporate and individual performance.

The Company believes that the members of the remuneration committee can make, and do make, quality and independent judgements in the best interests of the Company on remuneration issues, notwithstanding that the members of the remuneration committee are not all 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.

10. Recognise the 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. The code of conduct gives guidance to the directors and other key executives about:

- (i) the practices necessary to maintain confidence in the integrity of the Company; and
- (ii) the right of employees to alert management and the board in good faith to potential misconduct without fear of retribution, and, where necessary, recording and investigation of such alerts.

Statement of Financial Position

As at 30 June 2005

		CONSOLIDATED		PARENT	
	NOTE	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Current Assets					
Cash assets	28(a)	149,396	88,642	-	-
Receivables	6	842,526	764,340	-	-
Other financial assets	7	35,360	2,459	-	-
Inventories	8	252,240	244,381	-	-
Other	9	12,319	7,713	-	-
Total current assets		1,291,841	1,107,535	-	-
Non-Current Assets					
Receivables	10	19,312	16,282	761,192	690,014
Investments accounted for using equity method	39	88,548	53,657	-	-
Other financial assets	12	27,525	15,608	63,122	63,121
Inventories	11	31,475	26,584	-	-
Other	13	544	757	-	-
Property, plant and equipment	14	1,231,763	1,129,956	-	-
Intangible assets	15	10,495	11,212	-	-
Deferred tax assets	16	8,358	7,563	5,039	4,591
Total non-current assets		1,418,020	1,261,619	829,353	757,726
Total Assets		2,709,861	2,369,154	829,353	757,726
Current Liabilities					
Payables	17	591,900	553,053	309	135
Interest-bearing liabilities	18	72,632	62,877	-	-
Tax liabilities	19	12,778	25,115	9,155	19,807
Provisions	20	11,225	10,832	-	-
Other	21	4,232	4,823	-	-
Total current liabilities		692,767	656,700	9,464	19,942
Non-Current Liabilities					
Interest-bearing liabilities	22	654,784	472,109	-	-
Provisions	23	2,623	6,694	-	-
Other	24	7,773	5,376	-	-
Total non-current liabilities		665,180	484,179	-	-
Total Liabilities		1,357,947	1,140,879	9,464	19,942
NET ASSETS		1,351,914	1,228,275	819,889	737,784
Equity					
Contributed equity	25	246,591	246,591	246,591	246,591
Reserves	26	268,000	243,845	-	-
Retained profits	27(a)	759,604	667,493	573,298	491,193
Parent entity interest		1,274,195	1,157,929	819,889	737,784
Outside equity interest	27(b)	77,719	70,346	-	-
TOTAL EQUITY	27(c)	1,351,914	1,228,275	819,889	737,784

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

Statement of Financial Position As at 30 June 2005 (continued)

		MEMBERS OF THE PARENT		OUTSIDE EQUITY INTERESTS		CONSOLIDATED	
	NOTE	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<hr/>							
Interest in the equity of the consolidated entity							
Contributed equity	25	246,591	246,591	57,888	58,680	304,479	305,271
Reserves	26	268,000	243,845	(14,296)	(10,533)	253,704	233,312
Retained profits	27	759,604	667,493	34,127	22,199	793,731	689,692
<hr/>							
TOTAL INTEREST IN EQUITY		1,274,195	1,157,929	77,719	70,346	1,351,914	1,228,275
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The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Financial Performance

Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	NOTE	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Sales revenue	2	1,284,946	1,156,817	-	-
Cost of sales		(962,917)	(866,450)	-	-
Gross profit		322,029	290,367	-	-
Other revenues	2	731,287	670,334	173,768	142,012
Distribution expenses		(5,701)	(4,338)	-	-
Marketing expenses		(233,423)	(209,922)	-	-
Occupancy expenses		(128,577)	(116,672)	-	-
Administrative expenses		(315,113)	(281,077)	-	-
Borrowing costs	3	(41,868)	(31,460)	-	-
Other expenses from ordinary activities		(62,750)	(51,322)	(402)	(467)
Share of net profit of associates, joint venture entities and partnerships accounted for using the equity method	39	3,768	3,402	-	-
Profit from ordinary activities before income tax expense		269,652	269,312	173,366	141,545
Income tax expense relating to ordinary activities	4	(81,102)	(82,353)	(11,937)	(10,329)
Net profit		188,550	186,959	161,429	131,216
Net profit attributable to outside equity interests		(17,115)	(10,907)	-	-
Net profit attributable to members of the parent entity	27(a)	171,435	176,052	161,429	131,216
Net increase in asset revaluation reserve	26(a)	28,443	70,012	-	-
Net exchange difference on translation of financial statements of self-sustaining foreign operations	26(b)	(4,288)	2,144	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		24,155	72,156	-	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity		195,590	248,208	161,429	131,216
Basic earnings per share (cents)	5	16.20	16.63	-	-
Diluted earnings per share (cents)	5	16.20	16.63	-	-

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

Statement of Cash Flows

Year Ended 30 June 2005

	NOTE	CONSOLIDATED		PARENT	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Cash flows from operating activities					
		Inflows/(Outflows)			
Net receipts from franchisees	A	578,542	568,162	-	-
Receipts from customers	B	1,299,962	1,156,178	-	-
Payments to suppliers and employees	C	(1,556,363)	(1,408,257)	(228)	(572)
Distributions received from joint ventures		8,545	7,224	-	-
GST paid		(19,498)	(17,559)	-	-
Interest received		5,070	4,490	-	-
Interest and other costs of finance paid	D	(38,149)	(28,480)	-	-
Income taxes paid		(94,234)	(82,859)	(11,533)	(8,807)
Dividends received		620	490	-	-
Trust distributions received		-	-	40,321	38,630
		184,495	199,389	28,560	29,251
Consumer finance related cash flows:					
Consumer finance loans granted by consolidated entity	E	(61,301)	(25,872)	-	-
Proceeds of sale of consumer finance loans to FAST No. 1 Trust	E	65,306	16,749	-	-
Accommodation fees paid	E	(2,129)	(1,390)	-	-
Trust distribution received	E	14	83	-	-
Repayments received from consumers on consumer finance loans granted by consolidated entity and not sold to FAST No. 1 Trust	E	(1,466)	479	-	-
		424	(9,951)	-	-
Net Cash Flows From Operating Activities	28(b)	184,919	189,438	28,560	29,251

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

Statement of Cash Flows

Year Ended 30 June 2005 (continued)

	NOTE	CONSOLIDATED		PARENT	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Cash flows from investing activities		Inflows/(Outflows)			
Payment for purchases of property, plant and equipment	F	(185,051)	(197,790)	-	-
Proceeds from sale of property, plant and equipment	G	3,849	24,641	-	-
Payment for purchase of units in unit trusts	H	(12,856)	-	-	-
Proceeds from sale of units in unit trusts	H	-	2,354	-	-
Payments for purchase of equity investments	I	(39,484)	(11,141)	(1)	(7,507)
Proceeds from sale of listed securities	J	2,044	441	-	-
Loans granted		(3,664)	(5,885)	-	-
Loans repaid from other entities		-	-	50,765	36,358
Payment for purchase of non-current listed securities		-	(1,257)	-	-
Net Cash Flows (Used in)/From Investing Activities		(235,162)	(188,637)	50,764	28,851
Cash flows from financing activities					
Proceeds from borrowings	K	189,358	264,059	-	-
Dividends paid	L	(79,324)	(58,102)	(79,324)	(58,102)
Repayment of borrowings	M	(2,588)	(173,531)	-	-
Net Cash Flows From/(Used in) Financing Activities		107,446	32,426	(79,324)	(58,102)
Net increase/(decrease) in cash held		57,203	33,227	-	-
Cash at Beginning of Period		54,340	21,113	-	-
Cash at End of Period	28(a)	111,543	54,340	-	-

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

Commentary to the Statement of Cash Flows:

- <A> The majority of the increase is attributable to revenue derived by Generic Publications Pty Limited (GPL), a wholly-owned subsidiary of Harvey Norman Holdings Limited, in respect of Harvey Norman brand advertising published by GPL. GPL is an accredited media placement company. Franchise fees, rent received from franchisees and asset usage fees have increased as a result of the opening of nine new franchised stores. Franchisee trade creditors have also increased from the previous year producing a net cash outflow.
- The increase in receipts from customers can be directly attributable to an increase in sales revenue from company owned stores in New Zealand, Ireland and other controlled entities. Additionally, the movement in trade debtors of company owned stores and controlled entities decreased due to improved collection procedures. This has the effect of increasing receipts from customers.
- <C> The increase in payments to suppliers and employees is due to increased inventory payments and operating expenses by company owned stores and other controlled entities driven by an increase in sales by those entities. Further, included in the current year cash outflow are increased advertising expenses paid by GPL.
- <D> The increase in interest and other costs of finance paid reflects the increase in borrowing facilities utilised to fund expansion.
- <E> The cash flows generated from consumer finance have increased significantly due to a greater number of consumer loans made by Network Consumer Finance, a wholly-owned subsidiary.
- <F> For the year ended 30 June 2005, payment for purchases of land and buildings totalled \$96.59 million (2004: \$95.93 million) and payments for plant and equipment amounted to \$88.46 million (2004: \$101.86 million).
- <G> The prior year included proceeds from the sale of two properties at Caringbah and Riverwood of \$18.74 million.
- <H> This relates to the increase in investment units held in Financial Assets Specialised Trust No 1 (FAST). The cost of investment units held in FAST as at 30 June 2005 was \$19.56 million compared to \$6.72 million as at 30 June 2004.
- <I> This item relates to increased investment in joint ventures at Byron Bay, Dubbo, Traders Way (Tweed Heads) and Mentone.
- <J> The main reason for the increase in proceeds from the sale of listed securities is the sale of JB Hi Fi shares sold during the current year.
- <K> The previous year includes funds lent to subsidiaries of Harvey Norman Holdings Limited pursuant to the Commercial Mortgage Backed Securities ("CMBS") program entered into during May 2004. The current year increase is due to utilisation of increased borrowing facilities required to fund expansion.
- <L> The increase reflects the final special dividend paid of 4.5 cents per share for the year ended 30 June 2004 compared to 3.0 cents per share in the previous year.
- <M> The previous year includes repayment of borrowings out of the proceeds received from the CMBS program.

PRIMARY SEGMENT – Business Segments – 30 June 2005

SEGMENT REVENUE					
	Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Inter-segment Revenue	Share of Net Profit/(Loss) of Equity Accounted Investments	Segment Revenue
	2005 \$000	2005 \$000	2005 \$000	2005 \$000	2005 \$000
FRANCHISING OPERATIONS	-	577,298	-	-	577,298
Retail – New Zealand	436,308	27,426	-	-	463,734
Retail – Rebel Sport	316,897	26,201	-	-	343,098
Retail – Asia	321,535	14,265	-	-	335,800
Retail – Slovenia	30,633	404	-	-	31,037
Other Non-Franchised Retail	179,573	12,965	857	-	193,395
TOTAL RETAIL	1,284,946	81,261	857	-	1,367,064
Retail Property	-	89,853	-	2,384	92,237
Property Under Construction for Retail	-	30	-	(71)	(41)
Property Development for Resale	-	328	-	1,455	1,783
TOTAL PROPERTY	-	90,211	-	3,768	93,979
Financial Services	-	10,223	-	-	10,223
Share Trading	-	3,018	-	-	3,018
TOTAL OTHER	-	13,241	-	-	13,241
Eliminations	-	(30,724)	(857)	-	(31,581)
CONSOLIDATED	1,284,946	731,287	-	3,768	2,020,001
Unallocated Revenue	-	-	-	-	-
TOTAL REVENUE	1,284,946	731,287	-	3,768	2,020,001

Business Segments – 30 June 2005

	SEGMENT RESULT				
	Segment Result Before Interest, Taxation, Depreciation & Amortisation	Interest Expense	Depreciation Expense	Amortisation Expense	Segment Result Before Tax
	2005 \$000	2005 \$000	2005 \$000	2005 \$000	2005 \$000
FRANCHISING OPERATIONS	234,747	(17,769)	(48,165)	(652)	168,161
Retail – New Zealand	43,941	(3,348)	(5,082)	-	35,511
Retail – Rebel Sport	34,552	(208)	(9,558)	(1,235)	23,551
Retail – Asia	12,665	(102)	(2,277)	(61)	10,225
Retail – Slovenia	(55)	(14)	(513)	-	(582)
Other Non-Franchised Retail	375	(3,118)	(3,462)	-	(6,205)
TOTAL RETAIL	91,478	(6,790)	(20,892)	(1,296)	62,500
Retail Property	67,797	(14,559)	(13,859)	-	39,379
Property Under Construction for Retail	(762)	(1,158)	(8)	-	(1,928)
Property Development for Resale	1,459	(633)	-	-	826
TOTAL PROPERTY	68,494	(16,350)	(13,867)	-	38,277
Financial Services	6,938	(3,512)	(145)	-	3,281
Share Trading	1,741	(69)	-	-	1,672
TOTAL OTHER	8,679	(3,581)	(145)	-	4,953
Eliminations	(6,861)	2,622	-	-	(4,239)
CONSOLIDATED	396,537	(41,868)	(83,069)	(1,948)	269,652
Unallocated Expenses					-
Income tax expense					(81,102)
Consolidated entity profit from ordinary activities after income tax expense					188,550
Extraordinary items					-
TOTAL RESULT					188,550

Business Segments – 30 June 2005

	SEGMENT ASSETS			SEGMENT LIABILITIES		
	Segment Assets	Eliminations	Segment Assets After Eliminations	Segment Liabilities	Eliminations	Segment Liabilities After Eliminations
	2005 \$000	2005 \$000	2005 \$000	2005 \$000	2005 \$000	2005 \$000
FRANCHISING OPERATIONS	3,082,460	(2,090,152)	992,308	2,098,386	(2,090,152)	8,234
Retail – New Zealand	128,107	-	128,107	85,201	-	85,201
Retail – Rebel Sport	127,847	(16,500)	111,347	39,051	(16,500)	22,551
Retail – Asia	106,653	-	106,653	44,029	-	44,029
Retail – Slovenia	19,506	-	19,506	26,279	-	26,279
Other Non-Franchised Retail	134,509	(1,889)	132,620	157,228	(1,889)	155,339
TOTAL RETAIL	516,622	(18,389)	498,233	351,788	(18,389)	333,399
Retail Property	1,006,432	(35,753)	970,679	818,366	(35,753)	782,613
Property Under Construction for Retail	83,620	(5,376)	78,244	100,209	(5,376)	94,833
Property Development for Resale	45,283	(774)	44,509	56,557	(774)	55,783
TOTAL PROPERTY	1,135,335	(41,903)	1,093,432	975,132	(41,903)	933,229
Financial Services	168,480	(52,236)	116,244	135,321	(52,236)	83,085
Share Trading	9,644	-	9,644	-	-	-
TOTAL OTHER	178,124	(52,236)	125,888	135,321	(52,236)	83,085
Eliminations	-	-	-	-	-	-
CONSOLIDATED	4,912,541	(2,202,680)	2,709,861	3,560,627	(2,202,680)	1,357,947

Refer Note 38. Other Segment Information.

Business Segments Comparative – 30 June 2004

PRIMARY SEGMENT – Comparative 30 June 2004

SEGMENT REVENUE				
Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Inter-segment Revenue	Share of Net Profit/(Loss) of Equity Accounted Investments	Segment Revenue
2004 \$000	2004 \$000	2004 \$000	2004 \$000	2004 \$000

FRANCHISING OPERATIONS	-	509,601	-	-	509,601
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Retail – New Zealand	345,025	21,391	-	-	366,416
Retail – Rebel Sport	305,432	23,771	-	-	329,203
Retail – Asia	322,858	15,069	-	-	337,927
Retail – Slovenia	32,006	567	-	-	32,573
Other Non-Franchised Retail	151,496	9,503	1,908	-	162,907

TOTAL RETAIL	1,156,817	70,301	1,908	-	1,229,026
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Retail Property	-	75,851	-	2,046	77,897
Property Under Construction for Retail	-	360	-	-	360
Property Development for Resale	-	19,208	-	1,356	20,564

TOTAL PROPERTY	-	95,419	-	3,402	98,821
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Financial Services	-	8,161	-	-	8,161
Share Trading	-	1,622	-	-	1,622

TOTAL OTHER	-	9,783	-	-	9,783
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Eliminations	-	(14,770)	(1,908)	-	(16,678)
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CONSOLIDATED	1,156,817	670,334	-	3,402	1,830,553
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Unallocated Revenue	-	-	-	-	-
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TOTAL REVENUE	1,156,817	670,334	-	3,402	1,830,553
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Business Segments Comparative – 30 June 2004

SEGMENT RESULT					
	Segment Result Before Interest, Taxation, Depreciation & Amortisation	Interest Expense	Depreciation Expense	Amortisation Expense	Segment Result Before Tax
	2004 \$000	2004 \$000	2004 \$000	2004 \$000	2004 \$000
FRANCHISING OPERATIONS	227,466	(13,003)	(42,719)	(652)	171,092
Retail – New Zealand	33,574	(2,954)	(5,511)	-	25,109
Retail – Rebel Sport	35,942	(539)	(7,274)	(2,736)	25,393
Retail – Asia	11,728	(97)	(2,646)	(154)	8,831
Retail – Slovenia	1,831	(76)	(493)	-	1,262
Other Non-Franchised Retail	(1,622)	(2,397)	(2,039)	-	(6,058)
TOTAL RETAIL	81,453	(6,063)	(17,963)	(2,890)	54,537
Retail Property	57,457	(9,906)	(9,687)	-	37,864
Property Under Construction for Retail	(90)	(916)	(13)	-	(1,019)
Property Development for Resale	7,299	(485)	(41)	-	6,773
TOTAL PROPERTY	64,666	(11,307)	(9,741)	-	43,618
Financial Services	5,671	(2,221)	(176)	-	3,274
Share Trading	1,199	(169)	-	-	1,030
TOTAL OTHER	6,870	(2,390)	(176)	-	4,304
Eliminations	(5,542)	1,303	-	-	(4,239)
CONSOLIDATED	374,913	(31,460)	(70,599)	(3,542)	269,312
Unallocated Expenses					-
Income tax expense					(82,353)
Consolidated entity profit from ordinary activities after income tax expense					186,959
Extraordinary items					-
TOTAL RESULT					186,959

Business Segments Comparative – 30 June 2004

	SEGMENT ASSETS			SEGMENT LIABILITIES		
	Segment Assets	Eliminations	Segment Assets After Eliminations	Segment Liabilities	Eliminations	Segment Liabilities After Eliminations
	2004 \$000	2004 \$000	2004 \$000	2004 \$000	2004 \$000	2004 \$000
FRANCHISING OPERATIONS	3,568,617	(2,697,030)	871,587	2,927,600	(2,697,030)	230,570
Retail – New Zealand	110,444	-	110,444	94,285	-	94,285
Retail – Rebel Sport	127,983	(16,000)	111,983	49,067	(16,000)	33,067
Retail – Asia	110,261	-	110,261	48,770	-	48,770
Retail – Slovenia	27,147	-	27,147	26,894	-	26,894
Other Non-Franchised Retail	88,877	(1,890)	86,987	102,304	(1,890)	100,414
TOTAL RETAIL	464,712	(17,890)	446,822	321,320	(17,890)	303,430
Retail Property	864,072	(23,577)	840,495	477,738	(23,577)	454,161
Property Under Construction for Retail	80,748	(2,897)	77,851	78,577	(2,897)	75,680
Property Development for Resale	59,744	(14,084)	45,660	48,717	(14,084)	34,633
TOTAL PROPERTY	1,004,564	(40,558)	964,006	605,032	(40,558)	564,474
Financial Services	114,138	(37,939)	76,199	80,344	(37,939)	42,405
Share Trading	10,540	-	10,540	-	-	-
TOTAL OTHER	124,678	(37,939)	86,739	80,344	(37,939)	42,405
Eliminations	-	-	-	-	-	-
CONSOLIDATED	5,162,571	(2,793,417)	2,369,154	3,934,296	(2,793,417)	1,140,879

Refer Note 38. Other Segment Information.

The consolidated entity operates predominantly in eleven (11) primary segments:

Segment	Description of Segment
Franchising Operations	Consists of the franchising operations of the consolidated entity (other than retailing, property 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.
Retail – Asla	Consists of the controlling interest of the consolidated entity in the Singapore retail trading operations under the Harvey Norman and Space brand names.
Retail – Slovenia	Consists of the controlling interest of the consolidated entity in the retail trading operations in Slovenia under the Harvey Norman brand name.
Non-Franchised Retail	Consists of retail trading operations in Australia and Ireland which are controlled by the consolidated entity and does not include any operations of Harvey Norman franchisees.
Retail Property	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. The property is held for the purpose of facilitating the expansion and operation of the franchising network.
Property Under Construction for Retail	Consists of sites that are currently undergoing construction at year-end intended for retail leasing. It also includes vacant land that has been purchased for the purposes of generating future investment income and facilitating the expansion and operation of the franchising network.
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 primarily refers to credit facilities provided to third parties.
Share Trading	This segment refers to the trading of listed securities.

Property 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.

	RETAIL PROPERTY		PROPERTY UNDER CONSTRUCTION FOR RETAIL		PROPERTY DEVELOPMENT FOR RESALE	
	2005	2004	2005	2004	2005	2004
% of Consolidated Revenue	4.6%	4.3%	-	-	0.1%	1.1%
% of Consolidated Result	14.6%	14.1%	(0.7%)	(0.4%)	0.3%	2.5%
Yield %						
[Revenue/Segment Assets After Eliminations]	9.5%	9.3%	(0.1%)	0.5%	4.0%	45.0%
Return on Assets %						
[Result/Segment Assets After Eliminations]	4.1%	4.5%	(2.5%)	(1.3%)	1.9%	14.8%
	2005	2004	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000	\$000
Segment Assets After Eliminations	970,679	840,495	78,244	77,851	44,509	45,660
Less: Accumulated Asset Revaluation	(270,287)	(242,344)	(1,610)	(1,110)	-	-
Segment Assets After Eliminations Less Revaluation	700,392	598,151	76,634	76,741	44,509	45,660
Yield %						
[Revenue/Segment Assets After Eliminations & Revaluations]	13.2%	13.0%	(0.1%)	0.5%	4.0%	45.0%
Return on Assets %						
[Result/Segment Assets After Eliminations & Revaluations]	5.6%	6.3%	(2.5%)	(1.3%)	1.9%	14.8%

SECONDARY SEGMENT – Geographic Segments

	Segment Revenue		Segment Assets		Acquisition of Property, Plant and Equipment, Intangible Assets and other Non-current Assets	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Australia	1,101,941	1,025,970	2,323,982	1,989,045	296,320	227,056
New Zealand	471,921	373,377	232,302	212,452	9,058	17,832
Asia	335,863	338,454	110,134	114,062	1,558	2,900
Slovenia	31,075	32,602	43,473	49,294	4,036	(223)
United Kingdom	13,131	13,003	2,189	1,374	61	396
Ireland	66,927	49,055	26,001	31,618	354	10,177
TOTAL	2,020,858	1,832,461	2,738,081	2,397,845	311,387	258,138
Eliminations	(857)	(1,908)	(28,220)	(28,691)	-	-
CONSOLIDATED	2,020,001	1,830,553	2,709,861	2,369,154	311,387	258,138

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) 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.

Receivables from related parties are recognised and carried at the nominal amount due.

Interest is taken up as income on an accrual basis.

(d) 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.

(e) Land and Buildings

It is the policy of the consolidated entity to review annually the value of land and the value of buildings based on the use of the land and buildings by the consolidated entity as a going concern. The directors have elected to carry each of 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 land and buildings as part of its ongoing operations.

(f) 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.

1. Statement of Significant Accounting Policies (continued)**(g) 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.

Non-current inventories are held at cost.

(h) 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.

(i) Leases**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.

As lessor**Direct finance leases**

Direct finance lease 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.

(j) 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 deferred tax assets 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.

(k) 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.

(l) Borrowing Costs

Borrowing costs are expensed as incurred. Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and net receipt or payment from interest rate swaps.

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.

1. Statement of Significant Accounting Policies (continued)**(r) Payables and Provisions**

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.

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(s) 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 not recognised as a liability. 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.

(t) 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.

(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) 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.

1. Statement of Significant Accounting Policies (continued)

(x) 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.

(y) Equity Based Compensation

Where shares and or options are issued to qualifying employees under the company's equity based remuneration schemes, no expense has been recorded in the Statement of Financial Performance. Refer to Note 30 Employee Benefits and Note 32 Director and Executive Disclosures for further information.

(z) Changes in Accounting Policies and Comparative Amounts

The accounting policies adopted are consistent with those of the previous year.

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

	CONSOLIDATED		PARENT	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
2. Revenues from Ordinary Activities				
Revenues from operating activities:				
Revenue from the sale of products	1,284,946	1,156,817	-	-
Other revenues from operating activities:				
Gross revenue from:				
- Franchisees (excluding rent and interest received)	488,568	459,088	-	-
- Rent received from franchisees	123,121	104,465	-	-
- Interest received from franchisees	22,967	15,847	-	-
Total revenue received from franchisees	634,656	579,400	-	-
Trust distribution received from other related parties	165	183	-	-
Rent received from other third parties	14,017	15,268	-	-
Total other revenues from operating activities	648,838	594,851	-	-
Share of net profit of associates, joint venture entities and partnerships	39	3,402	-	-
Total revenues from operating activities	1,937,552	1,755,070	-	-
Other revenues from non-operating activities:				
Interest received from other unrelated parties	5,070	4,490	-	-
Trust distribution received from:				
- Controlled entities	-	-	40,321	38,630
Dividends from:				
- Related parties (wholly owned group)	-	-	133,447	103,382
- Other unrelated parties	620	490	-	-
Other revenue	57,172	43,673	-	-
Gross proceeds from the disposal of plant and equipment	16,449	24,641	-	-
Gross proceeds from the disposal of listed securities	2,044	441	-	-
Net foreign exchange gains	1,094	1,748	-	-
Total other revenues from non-operating activities	82,449	75,483	173,768	142,012
Total revenues from ordinary activities	2,020,001	1,830,553	173,768	142,012
Total revenues from ordinary activities is disclosed on the Statement of Financial Performance as follows:				
Sales revenue	1,284,946	1,156,817	-	-
Other revenues from operating activities	648,838	594,851	-	-
Other revenues from non-operating activities	82,449	75,483	173,768	142,012
Total other revenues	731,287	670,334	173,768	142,012
Share of net profit of associates, joint venture entities and partnerships	3,768	3,402	-	-
Total revenues from ordinary activities	2,020,001	1,830,553	173,768	142,012

	CONSOLIDATED		PARENT	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
3. Expenses and Losses/(Gains):				
Depreciation and amortisation:				
Depreciation of:				
- Buildings	10,721	9,031	-	-
- Plant and equipment	72,348	61,568	-	-
Amortisation of:				
- Leased plant and equipment	1,235	2,736	-	-
- Goodwill	713	806	-	-
Total depreciation and amortisation	85,017	74,141	-	-
Borrowing costs:				
Interest paid or payable:				
- Finance leases	232	550	-	-
- Loans from directors and director related entities	1,260	773	-	-
- Other	40,376	30,137	-	-
Total borrowing costs	41,868	31,460	-	-
Other expense items:				
Net bad debts – written off	2,495	1,487	-	-
Net charge to provision for doubtful debts	1,693	(737)	-	-
Costs on disposal and revaluation of assets				
- Book value on disposal of plant and equipment (a)	17,201	18,511	-	-
- Book value on disposal of listed securities (b)	1,278	424	-	-
- Net change in market value of listed securities	(354)	(692)	-	-
Operating lease rentals (c)	98,424	88,933	-	-
Provision for obsolescence of inventories	291	(196)	-	-
Provision for employee benefits	1,536	1,460	-	-
(a) Net (profit)/loss on disposal of plant and equipment	752	(6,130)	-	-
(b) Net (profit)/loss on disposal and revaluation of listed securities	(1,120)	(709)	-	-
(c) Comprises:				
Minimum lease payments	98,424	88,933	-	-

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$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 before income tax expense	269,652	269,312	173,366	141,545
Prima facie tax thereon at 30%	80,896	80,794	52,010	42,464
Tax effect of permanent and other differences:				
Amortisation of intangible assets	208	196	-	-
Building depreciation	53	100	48	96
Receipt of fully franked dividends	(84)	(49)	(84)	(49)
Non deductible asset write offs	-	217	-	-
Sundry items	(469)	310	17	6
Amounts over provided in prior years	(1,315)	(576)	(28)	(511)
Effect of different rates of tax on overseas income and exchange rate differences	603	47	-	-
Differences between accounting profits and capital gains on sale of assets	8	(662)	8	(662)
Utilisation of tax losses	(170)	(114)	-	-
Benefit of tax losses and timing differences for the current year not brought to account	890	1,694	-	-
Non deductible provisions relating to overseas entities	482	396	-	-
Dividends received	-	-	(40,034)	(31,015)
Increase in tax expense due to:				
- Income tax expense related to current and deferred tax transactions of the wholly-owned subsidiary in the tax consolidated group	-	-	51,264	54,102
- Recovery of income tax expense under a tax sharing agreement	-	-	(51,264)	(54,102)
Total tax effect of permanent and other differences:	206	1,559	(40,073)	(32,135)
Total income tax attributable to profit from ordinary activities	81,102	82,353	11,937	10,329

Tax Consolidation

Effective 1 July 2002, for the purposes of income taxation, Harvey Norman Holdings Limited and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group entered into a tax sharing agreement 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. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Harvey Norman Holdings Limited.

CONSOLIDATED

2005	2004
\$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	188,550	186,959
Adjustments:		
Net profit attributable to outside equity interests	(17,115)	(10,907)
Earnings used in calculating basic and diluted earnings per share	171,435	176,052
	Number of Shares	
	2005	2004
Weighted average number of ordinary shares used in calculating basic earnings per share	1,058,400,615	1,057,388,020
Effect of dilutive securities:		
- Share Options	1,461	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,058,402,076	1,057,388,020

The movement in the weighted average number of ordinary shares from the previous corresponding period is due to the issue on 28 September 2004 of 820,002 ordinary shares ("2004 DEIP Shares"), pursuant to the Deferred Executive Incentive Share Plan approved by shareholders of the Company on 25 November 2003. The 2004 DEIP Shares have been weighted in accordance with the number of days on issue in the relevant period. Refer to Note 25. Contributed Equity for further information. A further 133,334 shares were issued under DEIP on 29 June 2005 ("2005 DEIP Ackery Shares").

The weighted average number of ordinary shares used in calculating basic earnings per share is greater than the closing number of shares issued in the Company as at 30 June 2005. The number of ordinary shares outstanding prior to the 2004 DEIP Shares issue and the 2005 DEIP Ackery Shares issue is required to be adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest reporting period for which basic earnings per share is presented.

During the financial year ended 30 June 2004, pursuant to the Harvey Norman Executive Option Plan approved by shareholders of the Company on 25 November 2003 ("EOP"), options to subscribe for 3,948,000 ordinary shares in the Company were issued to the respective trustees of certain trusts for the benefit of certain directors of the Company at an exercise price of \$3.00 per share ("2003 EOP Options").

On 28 September 2004, pursuant to the EOP, options to subscribe for 3,946,000 ordinary shares in the Company were issued to the respective trustees of certain trusts for the benefit of certain directors of the Company at an exercise price of \$3.00 per share ("2004 EOP Options"). A further 533,333 options were issued under EOP on 29 June 2005 ("2005 EOP Ackery Options").

Only the 2005 EOP Ackery Options have been included in the calculation of diluted earnings per share as the exercise price of each of the 2005 EOP Ackery Options was less than the average market price of an ordinary share in the Company for the year ended 30 June 2005. The 2005 EOP Ackery Options are considered to be dilutive as their conversion to ordinary shares would decrease the net profit from continuing operations per share. The 2003 EOP Options and the 2004 EOP Options have been excluded from the diluted earnings per share calculation as the exercise price of these two sets of options exceeded the average market price for the year ended 30 June 2005.

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.

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
6. Receivables (Current)				
Trade debtors	789,256	714,173	-	-
Provision for doubtful debts	(4,255)	(3,101)	-	-
Trade debtors, net	785,001	711,072	-	-
Consumer finance loans	8,076	8,717	-	-
Amounts receivable in respect of finance leases (a)	10,741	9,348	-	-
Non-trade debts receivable from:				
- Related parties	1,500	2,389	-	-
- Other unrelated persons	38,178	33,629	-	-
- Provision for doubtful debts	(970)	(815)	-	-
Non-trade debts receivable, net	38,708	35,203	-	-
Total receivables (current)	842,526	764,340	-	-

- (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	12,643	10,372	-	-
Later than one year but not later than five years	19,259	15,850	-	-
	31,902	26,222	-	-
Future finance revenue:				
Not later than one year	(1,902)	(1,024)	-	-
Later than one year but not later than five years	(1,221)	(1,440)	-	-
Net finance lease receivables	28,779	23,758	-	-
Reconciled to:				
Receivables (Current)	10,741	9,348	-	-
Receivables (Non-current – Note 10)	18,038	14,410	-	-
	28,779	23,758	-	-

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	1,881	1,837	-	-
Other investments	29	61	-	-
Hedge receivable	33,450	561	-	-
Total other financial assets (current)	35,360	2,459	-	-

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

8. Inventories (Current)

Finished goods at cost	256,650	248,500	-	-
Provision for obsolescence	(4,410)	(4,119)	-	-
Total current inventories, net	252,240	244,381	-	-

9. Other Assets (Current)

Prepayments	10,581	6,523	-	-
Licence Property	1,012	1,075	-	-
Other current assets	726	115	-	-
Total other assets (current)	12,319	7,713	-	-

10. Receivables (Non-Current)

Consumer finance loans	2,692	2,906	-	-
Provision for doubtful debts	(1,418)	(1,034)	-	-
	1,274	1,872	-	-
Amounts receivable in respect of finance leases	18,038	14,410	-	-
Non-trade debts receivable from wholly owned entities	-	-	745,582	673,899
Tax-related balances with controlled entities	-	-	15,610	16,115
Total receivables (non-current)	19,312	16,282	761,192	690,014

11. Inventories (Non-Current)

Land held for resale at cost	31,087	26,308	-	-
Buildings held for resale at cost	388	276	-	-
Total non-current inventories	31,475	26,584	-	-

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

The aggregate carrying amount of current and non-current inventories at 30 June 2005 is \$283.72 million (2004: \$270.97m).

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Securities not quoted on prescribed Stock Exchanges – at cost (in wholly owned controlled entities - Note 40)	-	-	54,326	54,326
Units in unit trusts not quoted on prescribed Stock Exchanges – at cost (a)	19,762	6,904	8,796	8,795
Securities quoted on prescribed Stock Exchanges (in unrelated entities)	7,763	8,704	-	-
Total other financial assets (non-current)	27,525	15,608	63,122	63,121

(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 \$67.10 million (2004: \$32.54 million). The consolidated entity also holds monies on behalf of FAST relating to these receivables of \$2.42 million (2004: \$2.08 million) at balance date.

In these financial statements, the consolidated entity's interest in FAST is 28.82% (2004: 28.14%) 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 \$19.58 million (2004: \$6.72 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 2005 was \$2.13 million (2004: \$1.39 million). The weighted average interest rate applicable to commercial paper issued by FAST for the year ended 30 June 2005 was 5.62% (2004: 5.35%).

Upon implementation of the Australian equivalents to International Financial Reporting Standards, under AASB 127 "Consolidated and Separate Financial Statements" and the Urgent Issues Group Interpretation UIG 112 "Consolidation – Special Purpose Entities", the consolidated entity will be required to consolidate FAST, as the substance of the relationship between the entity and FAST indicates that FAST is controlled by the consolidated entity. This has the impact of increasing receivables and payables.

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

13. Other Assets (Non-Current)

Licence property	544	757	-	-
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	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
14. Property, Plant and Equipment (Non-Current)				
Summary				
Land				
- At fair value	557,399	512,678	-	-
Buildings				
- At fair value	416,010	371,087	-	-
- Accumulated depreciation	-	-	-	-
Total buildings	416,010	371,087	-	-
Net land and buildings	973,409	883,765	-	-
Plant and equipment				
- At cost	565,817	519,485	-	-
- Accumulated depreciation	(309,053)	(278,782)	-	-
Net plant and equipment, at cost	256,764	240,703	-	-
Plant and equipment under lease				
- At cost	3,808	11,003	-	-
- Accumulated amortisation	(2,218)	(5,515)	-	-
Net plant and equipment, under lease	1,590	5,488	-	-
Total plant and equipment	258,354	246,191	-	-
Total property, plant and equipment				
- At fair value	973,409	883,765	-	-
- At cost	569,625	530,488	-	-
	1,543,034	1,414,253	-	-
Accumulated depreciation and amortisation	(311,271)	(284,297)	-	-
Total written down amount	1,231,763	1,129,956	-	-

Valuations

Consistent with methods adopted in prior years, the directors valued each of land and buildings as at 30 June 2005 on the basis of fair value. Fair value 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 reflects the quality of construction, age and quality of improvements and the strength of the tenure of external tenants and Harvey Norman Franchisees in respect of the particular land and buildings, the subject of the valuation.

In the previous financial year, the directors implemented an innovative Commercial Mortgage Backed Securities ("CMBS") program. Fifty-four (54) Harvey Norman complexes in Australia and New Zealand, having a combined book value of \$489.6 million at 30 June 2004, were independently valued by Knight Frank and Colliers at \$560.5 million facilitating the use of the unrealised gain in these properties by means of the "CMBS" program. The directors adopted the independent valuations provided by Knight Frank in Australia and Colliers in New Zealand revaluing fifty-six (56) properties, fifty-four (54) of which were included in the "CMBS" program.

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	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Land				
Fair value				
Opening balance	512,678	371,348	-	-
Additions	22,254	65,986	-	-
Increase resulting from revaluation	28,443	71,684	-	-
Reversal of land at revaluation on sale of property	-	(1,672)	-	-
Disposals	(5,346)	(10,332)	-	-
Transfers from Buildings – revaluation	-	15,010	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(630)	654	-	-
Closing balance	557,399	512,678	-	-
Buildings (a)				
Fair value				
Opening balance	371,087	352,843	-	-
Additions	56,915	51,190	-	-
Disposals	(425)	(14,089)	-	-
Reversal of depreciation upon revaluation	(10,603)	(6,305)	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(964)	2,458	-	-
Transfers to Land – revaluation	-	(15,010)	-	-
Closing balance	416,010	371,087	-	-
Accumulated Depreciation				
Opening Balance	-	-	-	-
Depreciation for the year	10,721	9,031	-	-
Disposals	(100)	(2,784)	-	-
Reversal upon revaluation	(10,603)	(6,305)	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(18)	58	-	-
Closing balance	-	-	-	-
Net book value	416,010	371,087	-	-
Total land and buildings	973,409	883,765	-	-

(a) Included in Buildings are buildings under construction at a cost of \$26,075,710 (2004: \$5,257,617).

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

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Plant and equipment				
Cost				
Opening balance	519,485	423,149	-	-
Additions	100,060	122,405	-	-
Disposals	(58,472)	(36,794)	-	-
Transfers from capitalised leased plant and equipment	7,127	9,504	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(2,383)	1,221	-	-
Closing balance	565,817	519,485	-	-
Accumulated Depreciation				
Opening balance	278,782	230,602	-	-
Depreciation for the year	72,348	61,568	-	-
Disposals	(46,964)	(19,994)	-	-
Transfers from capitalised leased plant and equipment	4,502	5,846	-	-
Net foreign currency differences arising from self-sustaining foreign operations	385	760	-	-
Closing balance	309,053	278,782	-	-
Net book value	256,764	240,703	-	-
Capitalised Leased Plant and Equipment				
Capitalised cost				
Opening balance	11,003	20,686	-	-
Additions	-	195	-	-
Disposals	(49)	(374)	-	-
Transfers to owned plant and equipment	(7,127)	(9,504)	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(19)	-	-	-
Closing balance	3,808	11,003	-	-
Accumulated Depreciation				
Opening balance	5,515	8,836	-	-
Amortisation for the period	1,235	2,736	-	-
Transfers to owned plant and equipment	(4,502)	(5,846)	-	-
Disposals	(27)	(211)	-	-
Net foreign currency differences arising from self-sustaining foreign operations	(3)	-	-	-
Closing balance	2,218	5,515	-	-
Net book value	1,590	5,488	-	-
Total plant and equipment	258,354	246,191	-	-
Total property, plant and equipment	1,231,763	1,129,956	-	-

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
15. Intangible Assets (Non-Current)				
Goodwill – at cost	13,775	13,838	-	-
Accumulated amortisation	(3,280)	(2,626)	-	-
Total intangibles, net	10,495	11,212	-	-
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	8,358	7,563	5,039	4,591
17. Payables (Current)				
Unsecured:				
- Trade creditors and accruals	558,450	552,492	309	135
- Hedge payable	33,450	561	-	-
Total payables (current)	591,900	553,053	309	135
18. Interest-Bearing Liabilities (Current)				
Secured:				
Non trade amounts owing to:				
- Other related parties (a)	2,422	2,083	-	-
Unsecured:				
Bank overdraft	37,853	34,302	-	-
Lease liabilities (b) Note 34(b)(i)	1,293	3,046	-	-
Non trade amounts owing to:				
- Specified directors (c)	25,872	20,999	-	-
- Other related parties (c)	4,486	2,092	-	-
- Other unrelated persons	706	355	-	-
Total interest-bearing liabilities (current)	72,632	62,877	-	-
(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	12,778	25,115	9,155	19,807

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
20. Provisions (Current)				
Employee entitlements	10,691	9,291	-	-
Other (refer Note 23(a))	534	1,541	-	-
Total other provisions (current)	11,225	10,832	-	-

21. Other Liabilities (Current)

Lease incentives	1,377	1,730	-	-
Unearned revenue	2,855	3,093	-	-
Total other liabilities (current)	4,232	4,823	-	-

Unearned revenue mainly refers to unearned interest on NCF lease receivables.

**22. Interest-Bearing Liabilities
(Non-Current)**

Secured:

Non trade amounts owing to:

Commercial Mortgage Backed Securities (a)	253,676	251,905	-	-
Secured bills payable (b)	400,678	218,939	-	-
Lease liabilities - Note 34(b)(i)	430	1,265	-	-
Total interest-bearing liabilities (non-current)	654,784	472,109	-	-

(a) Commercial Mortgage Backed Securities (CMBS)

The CMBS facility is secured by a first registered mortgage over fifty-four (54) separate Harvey Norman complexes in Australia and New Zealand. In Australia, the term of the facility is 5 years, expiring on 19 May 2009, with a fixed interest rate of 5.87%. Interest is payable on a quarterly basis, in arrears. In New Zealand, the loan was originally subject to a floating interest rate but was subsequently fixed on 1 July 2004 under a 5-year facility expiring on 19 August 2009.

(b) Bills Payable

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 an effective average interest rate of 2.4% to 6.99% (2004: 1.7% to 6.6%).

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 2006 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.

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

23. Provisions (Non-Current)

Employee entitlements	1,709	1,573	-	-
Other (a)	914	5,121	-	-
Total provisions (non-current)	2,623	6,694	-	-

Movements in provisions

(a) Other

Carrying amount at the beginning of the financial year	6,662	4,701	-	-
Additional provision	190	2,161	-	-
Amounts utilised during the year	(715)	-	-	-
Reversal of unused provision	(414)	(200)	-	-
Reclassification to outside equity interest share of Total Equity	(4,118)	-	-	-
Other reclassifications	(157)	-	-	-
Carrying amount at the end of the financial year	1,448	6,662	-	-
Reconciled to:				
Provisions (Current – Note 20)	534	1,541	-	-
Provisions (Non-current)	914	5,121	-	-
	1,448	6,662	-	-

Nature of Other Provisions

The majority of the above balance relates to a provision for the outside equity interest share of losses incurred by a controlled entity within the consolidated group.

24. Other Liabilities (Non-Current)

Lease incentives	3,736	4,191	-	-
Unearned revenue	3,959	1,185	-	-
Other	78	-	-	-
Total other liabilities (non-current)	7,773	5,376	-	-

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

25. Contributed Equity

Ordinary shares – fully paid (a)	246,591	246,591	246,591	246,591
Outside equity interests	57,888	58,680	-	-
Total contributed equity	304,479	305,271	246,591	246,591

	Number of Ordinary Shares	
	2005	2004
(a) Movements in issued shares for the year:		
- Beginning of the financial year	1,056,830,115	1,055,893,449
- Shares issued during the current period	953,336	936,666
End of the financial year	1,057,783,451	1,056,830,115

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. Refer to Note 32. Director and Executive Disclosures for further information on the shares issued during the year ended 30 June 2005.

Share Options

Harvey Norman Holdings Limited

There were 8,427,333 (2004: 3,948,000) options to subscribe for 8,427,333 fully paid ordinary shares in the Company, pursuant to the Harvey Norman Executive Option Plan ("EOP"), outstanding as at 30 June 2005.

Details of options issued pursuant to EOP are set out in Note 32.

Rebel Sport Limited

There were 4,220,000 (2004: 4,244,000) options over unissued ordinary shares outstanding at 30 June 2005. Rebel Sport Limited 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 Sport Limited to certain senior management employees of the entity. Refer to Note 30. Employee Benefits on page 75 for further information.

Pertama Holdings Limited, Singapore

There were 4,000,000 (2004: 5,000,000) options over unissued ordinary shares outstanding at 30 June 2005. At an Extraordinary General Meeting of shareholders held on 9 July 2003, shareholders approved the grant of 4,000,000 options to Mr Martin Dunkerley. During the current year, the 1,000,000 options granted to Ms Koh Kee Ai lapsed upon her resignation from Pertama Holdings Limited on 9 November 2004.

Refer to Note 30. Employee Benefits on page 74 for further information.

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

26. Reserves

Asset revaluation	271,897	243,454	-	-
Foreign currency translation	(3,897)	391	-	-
Total reserves	268,000	243,845	-	-

These comprise:

(a) Asset Revaluation

The asset revaluation reserve is used to record increments and decrements in the value of land and buildings. The reserve can only be used to pay dividends in limited circumstances.

Movements during the year:

Balance at beginning of year	243,454	173,442	-	-
Transfer from asset revaluation reserve on sale of property	-	(1,672)	-	-
Revaluation increments on revaluation of:				
- land and buildings	28,443	71,684	-	-
Balance at end of year	271,897	243,454	-	-

(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	391	(1,753)	-	-
Gain/(loss) on translation of overseas controlled entities	(4,288)	2,144	-	-
Balance at end of year	(3,897)	391	-	-

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
27. Retained Profits and Dividends				
(a) Retained Profits (attributable to members of the parent entity):				
Retained profits at the beginning of the financial year	667,493	547,871	491,193	418,079
Transfer from asset revaluation reserve on sale of property	-	1,672	-	-
Dividends provided for or paid	(79,324)	(58,102)	(79,324)	(58,102)
Net profit	171,435	176,052	161,429	131,216
Retained profits at the end of the financial year	759,604	667,493	573,298	491,193
(b) Outside Equity Interests				
Outside equity interests in controlled entities comprise the following:				
- Interest in contributed equity	57,888	58,680	-	-
- Interest in reserves	(14,296)	(10,533)	-	-
- Interest in dividends	(5,782)	(4,838)	-	-
- Interest in opening retained earnings	22,794	16,130	-	-
- Interest in current year profit	17,115	10,907	-	-
Total Outside Equity Interests	77,719	70,346	-	-
(c) Equity:				
Total equity at the beginning of the financial year	1,228,275	1,034,037	737,784	664,670
Total changes in equity recognised in the Statement of Financial Performance	195,590	248,208	161,429	131,216
Transactions with owners as owners:				
- Dividends	(79,324)	(58,102)	(79,324)	(58,102)
Transfer from asset revaluation reserve on sale of property	-	1,672	-	-
Total changes in outside equity interests	7,373	2,460	-	-
Total equity at the reporting date	1,351,914	1,228,275	819,889	737,784

27. Retained Profits and Dividends (continued)

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
(i) Dividends Paid During the Year				
- Current Year Interim Fully franked dividends 3.0 cents per share (2004: 3.0 cents per share)	31,730	31,705	31,730	31,705
- Previous Year Final Fully franked dividends 4.5 cents per share (2004: Relates to 2003 Final Dividend of 2.5 cents per share)	47,594	26,397	47,594	26,397
	79,324	58,102	79,324	58,102

The current year interim dividend was paid on 13 May 2005.

The previous year final dividend was paid on 10 December 2004.

The dividend expense balance recognised as at 30 June 2005 is comprised of the current year interim dividend for 2005 of \$31.73 million and the final dividend paid in respect of the year ended 30 June 2004 of \$47.59 million. This totalled \$79.32 million for the year.

- (ii) Dividends Proposed and not Recognised as a Liability
Franked dividends 3.5 cents per share (2004: 4.5 cents)

	37,022	47,557	37,022	47,557
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- (iii) 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%	-	-	338,444	297,035
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	-	-	9,155	19,807
- franking credits that will be utilised in the payment of proposed final dividend	-	-	(15,867)	(20,382)
	-	-	331,732	296,460

As of 1 July 2002, Harvey Norman Holdings Limited and its wholly-owned Australian subsidiaries have formed a tax consolidated group pursuant to the tax consolidation legislation, which requires the tax-consolidated group to keep a single franking account. The amount of franking credits available to shareholders of the parent entity (being the head entity in the tax consolidated group) has been measured under the new legislation as those available from the tax consolidated group.

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
28. Statement of Cash Flows				
(a) Reconciliation of Cash				
Cash on hand	136,020	58,642	-	-
Short term money market deposits	13,376	30,000	-	-
	149,396	88,642	-	-
Bank overdraft (Note 18)	(37,853)	(34,302)	-	-
Cash at end of period	111,543	54,340	-	-
(b) Reconciliation of net profit after income tax to net operating cash flows:				
Net profit after income tax before outside equity interests	188,550	186,959	161,429	131,216
Adjustments for non-cash income and expense items:				
Net foreign exchange (gain)/loss	(1,094)	(1,748)	-	-
Bad and doubtful debts	2,495	1,487	-	-
Provision for inventory obsolescence	291	(196)	-	-
Share of joint ventures	(4,777)	(3,822)	-	-
Depreciation of property, plant and equipment	83,069	70,599	-	-
Amortisation of leased assets	1,235	2,736	-	-
Amortisation of goodwill	713	806	-	-
Transfers to provisions:				
- Employee entitlements	1,536	1,460	-	-
- Doubtful debts	1,693	79	-	-
(Profit)/loss on disposal and revaluation of:				
- Property, plant and equipment, and listed securities	(368)	(6,839)	-	-
Changes in assets and liabilities net of effects from purchase and sale of controlled entities:				
(Increase)/decrease in assets:				
Receivables	(81,564)	(111,511)	(132,942)	(103,382)
Inventory	(13,041)	(63,606)	-	-
Other current assets	(37,463)	3,687	-	-
Deferred tax assets	(795)	389	(448)	(2,065)
Increase/(decrease) in liabilities:				
Payables and other current liabilities	56,437	110,430	174	(105)
Non trade amounts owing to FAST	339	(511)	-	-
Income tax payable	(12,337)	(961)	347	3,587
Net operating cash flows	184,919	189,438	28,560	29,251

29. Impact of Adopting Australian Equivalents to IFRS

Harvey Norman Holdings Limited is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004, the consolidated entity allocated internal resources to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, the consolidated entity's transition date to IFRS. This will form the basis of accounting for AIFRS in the future, and is required when the consolidated entity prepares its first fully AIFRS compliant financial report for the year ended 30 June 2006.

Set out on the following page are the key areas where accounting policies are expected to change on adoption of AIFRS and an estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to:

- (a) ongoing work being undertaken by the consolidated entity on the AIFRS project;
- (b) potential amendments to AIFRSs and Interpretations thereof being issued by the standard-setters and IFRIC; and
- (c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

The Harvey Norman New Zealand subsidiary, Harvey Norman Stores (NZ) Pty Limited, will early-adopt NZIFRS to coincide with the timing of Australian adoption. Adjustments that will be made to the accounts of that subsidiary are included in the consolidated entity's numbers as estimated on the following page.

29. Impact of Adopting Australian Equivalents to IFRS (continued):

(a) Reconciliation of Equity as Presented under AGAAP to that under AIFRS

		CONSOLIDATED		PARENT	
		30 June 2005 \$000	1 July 2004 \$000	30 June 2005 \$000	1 July 2004 \$000
Total equity under AGAAP		1,351,914	1,228,275	819,889	737,784
Adjustments to retained earnings (net of tax)					
Write-back of goodwill amortisation	(i)	713	-	-	-
Recognition of share-based payment expense	(ii)	(1,995)	(756)	-	-
Inventory valuation adjustments	(iii)	(13,119)	(6,473)	-	-
Increase in fair value of investment properties	(iv)	15,595	-	-	-
Reclassification of land and buildings as investment properties	(v)	157,257	157,257	-	-
Write-back building depreciation expense on investment properties	(vi)	6,087	-	-	-
Reset cumulative exchange difference on transition to AIFRS	(vii)	391	391	-	-
Recognition of "make good" and other provisions	(viii)	(922)	(604)	-	-
Recognition of lease expenses on a straight-line basis	(ix)	(1,825)	(1,807)	-	-
		162,182	148,008	-	-
Adjustments to other reserves (net of tax)					
Recognition of share-based payment expense	(ii)	2,074	798	-	-
Reclassification of land and buildings as investment properties	(v)	(172,852)	(157,257)	-	-
Tax effect of revalued assets	(x)	(82,771)	(74,164)	-	-
Reset cumulative exchange difference on transition to AIFRS	(vii)	(540)	(391)	-	-
		(254,089)	(231,014)	-	-
Adjustments to outside equity interests (net of tax)					
Inventory valuation adjustments	(iii)	(5,040)	(2,491)	-	-
Recognition of share-based payment expense	(ii)	(79)	(42)	-	-
Recognition of "make-good" and other provisions	(viii)	(40)	(47)	-	-
		(5,159)	(2,580)	-	-
Total equity under AIFRS		1,254,848	1,142,689	819,889	737,784

29. Impact of Adopting Australian Equivalents to IFRS (continued):

Notes to the Reconciliation of Equity as Presented under AGAAP to that under AIFRS:

- (i) Under AASB 3 "Business Combinations" goodwill would not be permitted to be amortised but instead is subject to impairment testing on an annual basis or upon the occurrence of triggers which may indicate potential impairment. The consolidated entity's goodwill balance predominantly relates to the goodwill generated on the acquisition of Rebel Sport Limited, with a small amount attributable to an acquisition in Singapore. Currently, the consolidated entity amortises goodwill over its useful life but not exceeding 20 years. The consolidated entity has not elected to apply AASB 3 retrospectively and hence, prior year amortisation would not be written-back as at the date of transition.
- (ii) Under AASB 2 "Share Based Payments" the consolidated entity would recognise the fair value of shares and/or options granted to employees as remuneration as an expense in the income statement on a pro-rata basis over the vesting period of those shares and options. A corresponding adjustment will be made to equity. All equity based remuneration is made in accordance with plans approved by shareholders. At the annual general meeting of Harvey Norman Holdings Limited held on 25 November 2003, the shareholders approved the implementation of the Deferred Executive Incentive Share Plan ("DEIP") and the Executive Option Plan ("EOP"). The consolidated entity has not recognised the fair value of any shares and options issued under these plans as an expense in the income statement as share-based payments are not recognised under AGAAP.
- (iii) Under AASB 102 "Inventories", the cost of inventory should be valued at an amount net of trade discounts, rebates and other similar items. The consolidated entity currently receives supplier incentives such as volume rebates, settlement discounts and funds from suppliers for the general, on-going promotion of their products (collectively termed "brand support contribution"). The current policy of the consolidated entity is to recognise settlement discounts and brand support contribution directly as other revenue in the income statement. The application of AASB 102 would require the consolidated entity to recognise these items as a reduction in the purchase price of inventory on the balance sheet and recognise the contributions as a reduction in cost of goods sold when the item is sold to external customers.
- (iv) Under AASB 140 "Investment Properties", a gain or loss arising from a change in the fair value of investment properties shall be recognised in profit or loss for the period in which it arises. The consolidated entity has separated its property portfolio into land and buildings held for the purpose of earning rental income and/or capital appreciation and land and buildings held for use in the production or supply of goods or services or for administrative purposes. Whilst the majority of the Australian property portfolio is owned to facilitate the consolidated entity's franchising structure, it falls under the classification of "investment properties" as the land and buildings are primarily leased to franchisees who are not part of the consolidated group. The consolidated entity has elected to adopt the fair value model and therefore all subsequent asset increments and decrements relating to investment properties will be recognised in the income statement.
- (v) Under AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards", an entity may elect to measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date. The consolidated entity has separated its property portfolio between investment properties and owner-occupied properties at the date of transition to AIFRS. The deemed cost of the land and buildings determined to be investment properties has been taken as the fair value of the items on transition. The consolidated entity has reclassified the cumulative asset revaluation reserve attributable to investment properties to retained earnings as an opening AIFRS adjustment.
- (vi) Under AASB 140 "Investment Properties", an entity that chooses the fair value model shall measure all of its investment property at fair value and this shall reflect market conditions at reporting date. Land and buildings held as investment properties fall outside the scope of AASB 136 "Impairment of Assets" and are not required to be depreciated in accordance with AASB 116 "Property, Plant & Equipment" where the depreciable amount of owner-occupied property is to be allocated on a systematic basis over its useful life.
- (vii) Under AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards", an entity may adopt the exemption that permits the cumulative translation differences for all foreign operations to be deemed to be zero at transition date. This has the effect of clearing the cumulative foreign exchange difference on the balance sheet to nil and resetting all historical exchange rates to the prevailing spot rates as at transition date.
- (viii) Under AASB 116 "Property, Plant and Equipment", the consolidated entity will be required to include as part of the cost of its property, plant and equipment, an estimate of the costs to remove leasehold improvements at the end of the lease term where such an obligation exists to the lessor. These costs are not recognised under AGAAP. A corresponding liability would also be recognised under AIFRS in accordance with AASB 137 "Provisions, Contingent Liabilities and Contingent Assets".

29. Impact of Adopting Australian Equivalents to IFRS (continued):

Notes to the Reconciliation of Equity as Presented under AGAAP to that under AIFRS (continued):

- (ix) Under AASB 117 "Leases", lease payments under an operating lease (excluding costs for services such as insurance and maintenance) shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.
- (x) Under AASB 112 "Income Taxes", the consolidated entity would be required to use a balance sheet liability method, rather than the current income statement method, which recognises deferred tax balances where there is a difference between the carrying value of an asset or liability and its tax base. Where applicable, the above adjustments to retained earnings will result in changes to deferred tax balances under AIFRS, increasing both deferred tax liabilities and deferred tax assets.

A significant impact in the application of AASB 112 to the consolidated entity relates to the recognition of a deferred tax liability in relation to revalued assets. A deferred tax liability will be recognised on the full value of revalued assets thereby resulting in a reduction in total equity under AIFRS. Under AGAAP, the tax effects of asset revaluations are not recognised.

- (xi) It has been decided to apply the exemption provided in AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" which permits entities not to apply the requirements of AASB 132 "Financial Instruments: Presentation and Disclosures" and AASB 139 "Financial Instruments: Recognition and Measurement" for the financial year ended 30 June 2005. The standards will be applied from 1 July 2005. Management is continuing in the process of determining the impact that adopting the standards would have on the financial statements of the consolidated entity.
- (xii) Under AASB 127 "Consolidated and Separate Financial Statements" and the Urgent Issues Group Interpretation UIG 112 "Consolidation - Special Purpose Entities", the entity will be required to consolidate the Financial Assets Specialised Trust No. 1 ("FAST"), as the substance of the relationship between the entity and FAST indicates that FAST is controlled by the consolidated entity. This has the impact of increasing receivables and payables. There is no material impact to equity under AIFRS. Under AGAAP, the consolidated entity was not required to consolidate FAST.

(b) Reconciliation of Net Profit under AGAAP to that under AIFRS:

		CONSOLIDATED 30 June 2005 \$000	PARENT 30 June 2005 \$000
Net profit as reported under AGAAP		171,435	161,429
Write-back of goodwill amortisation	(i)	713	-
Recognition of share-based payment expense	(ii)	(1,276)	-
Inventory valuation adjustments	(iii)	(12,999)	-
Increase in fair value of investment properties	(iv)	22,278	-
Write-back building depreciation expense on investment properties	(v)	8,696	-
Recognition of "make-good" and other provisions	(vi)	(445)	-
Recognition of lease expenses on a straight-line basis	(vii)	(26)	-
		16,941	-
Adjustments to income tax expense	(viii)	(5,347)	-
Adjustments to net profit attributable to outside equity interests	(ix)	2,505	-
Net profit under AIFRS		185,534	161,429

29. Impact of Adopting Australian Equivalents to IFRS (continued):**Notes to the Reconciliation of Net Profit under AGAAP to that under AIFRS:**

- (i) Under AASB 3 "Business Combinations" goodwill is not permitted to be amortised but instead is subject to impairment testing. Currently, the consolidated entity amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation would no longer be charged, but goodwill would be written down to the extent it is impaired.
- (ii) Under AASB 2 "Share Based Payments" the consolidated entity would recognise the fair value of shares and/or options granted to employees as remuneration as an expense in the income statement on a pro-rata basis over the vesting period of those shares and options. Share-based payment costs are not recognised under AGAAP. This would result in a decrease in profit from AGAAP to AIFRS.
- (iii) Under AASB 102 "Inventories", the cost of inventory should be valued at an amount net of trade discounts, rebates and other similar items. Currently the consolidated entity recognises settlement discounts and other incentives from suppliers (collectively termed "brand support contribution") directly as other revenue in the income statement on receipt of the incentive. Under the new policy inventory rebates, settlement discounts and brand support contributions cannot be recognised as other revenue in the income statement but rather as a reduction in the purchase price of inventory in the balance sheet. Such items will only be recognised as a reduction in the cost of goods sold in the income statement when the inventory is sold to external customers. This would result in a decrease in profit from AGAAP to AIFRS.
- (iv) Under AASB 140 "Investment Properties", a gain or loss arising from a change in the fair value of investment properties shall be recognised in profit or loss for the period in which it arises. Currently the consolidated entity does not distinguish between properties held for investment purposes or for owner-occupied use and therefore all asset revaluation increments are credited directly to an asset revaluation reserve in equity. Under the new policy, the asset revaluation increment attributable to investment properties will be recognised as income in the income statement resulting in an increase in profit from AGAAP to AIFRS.
- (v) Under AASB 140 "Investment Properties", an entity that chooses the fair value model shall measure all of its investment property at fair value and this shall reflect market conditions at reporting date. Currently the consolidated entity does not distinguish between properties held for investment purposes or for owner-occupied use and therefore has recognised depreciation expense on the building component of its property portfolio. Under the new policy, the building component of properties classified as investment properties will not be required depreciated on a systematic basis over its useful life. However the investment property would be required to be written down to the extent that the value falls below what is considered to be fair value. This would result in an increase in profit from AGAAP to AIFRS.
- (vi) Under AASB 116 "Property, Plant and Equipment", the consolidated entity will be required to include as part of the cost of its property, plant and equipment, an estimate of the costs to remove leasehold improvements at the end of the lease term where such an obligation exists to the lessor. These costs are not recognised under AGAAP.
- (vii) Under AASB 117 "Leases", lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time-pattern of the user's benefit.
- (viii) The adjustment to income tax expense relates to the above AIFRS adjustments.
- (ix) The Reconciliation of Net Profit under AGAAP to that under AIFRS has been prepared on a consolidated basis. As such the adjustments required under AIFRS, namely inventory valuation, share-based payments, and recognition of the make-good provision, also relate to controlled entities that are not wholly-owned.

(c) Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

	CONSOLIDATED		PARENT	
	2005 Number	2004 Number	2005 Number	2004 Number

30. Employee Benefits

The number of full-time equivalent employees employed as at 30 June are:

	3,766	3,689	-	-
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	2005 \$000	2004 \$000	2005 \$000	2004 \$000
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The aggregate employee entitlement liability is comprised of:

Accrued wages, salaries and on costs	5,862	3,770	-	-
Provisions (current – Note 20)	10,691	9,291	-	-
Provisions (non-current – Note 23)	1,709	1,573	-	-

Total employee entitlement provisions	18,262	14,634	-	-
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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.

Share Options

Harvey Norman Holdings Limited

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

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2005	2004	2005	2004
26/11/2003	30/11/2008	\$3.00	3,948,000	3,948,000	-	-
28/09/2004	30/11/2008	\$2.93	3,946,000	-	-	-
29/06/2005	30/11/2010	\$2.62	533,333	-	-	-
			8,427,333	3,948,000	-	-

Refer to Note 32. Director and Executive Disclosures for further information.

30. Employee Benefits (continued)

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 and employees of Pertama Holdings Limited, Singapore:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2005	2004	2005	2004
09/07/2003	31/01/2008	\$SGD 0.275	4,000,000	4,000,000	-	-
22/11/2001	01/10/2010	\$SGD 0.275	-	1,000,000	-	-
			4,000,000	5,000,000	-	-

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 4.895 cents per option in Australian dollars, translated at an average exchange rate for the year ended 30 June 2005. Thus at grant date, the total value of these options is \$245,200 Singapore Dollars, or \$195,800 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 of Pertama Holdings Limited, the exercise price in respect of each of the options granted to Ms Koh Kee Ai on 22 November 2001 was reduced from \$0.45 Singapore Dollars to \$0.275 Singapore Dollars per option.

On 9 November 2004, the 1,000,000 options granted to Ms Koh Kee Ai lapsed and became null and void upon her resignation from Pertama Holdings Limited.

30. Employee Benefits (continued)**Rebel Sport Limited****Share Options****Employee Option Incentive Scheme**

Rebel Sport Limited ("Rebel") has implemented an Employee Option Incentive Scheme. The disclosure below only relates to that Employee Option Incentive Scheme (the "Rebel Scheme").

The Rebel Scheme was approved by shareholders on 12 October 1993. Under the terms of the Rebel Scheme, the directors may offer options over unissued ordinary shares in Rebel to certain senior management employees of Rebel.

No options were granted during the current financial period.

Pursuant to the Rebel Scheme, during the previous financial period on 14 July 2003, Rebel granted unlisted options over 450,000 unissued ordinary shares to three employees of the company, at an exercise price of \$2.46 per option. The options were issued free of charge to these employees. Using the Black-Scholes Option Pricing Model, the options issued were valued at \$0.56 per option, or \$252,000 in total.

In the 2003 financial period, Rebel granted unlisted options over 500,000 unissued ordinary shares to Karen Bozic, an executive of Rebel, 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 on 22 May 2003, after the grant of options to her. Using the Black-Scholes Option Pricing Model, the options issued to Karen Bozic were valued at \$0.49 per option, or \$247,000 in total.

Under the Rebel 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 the relevant employee leaves the employment of Rebel within one year of commencing employment, all of the options held by the relevant employee will lapse. For employees with greater than one year's service, any unexercised options will lapse thirty days after the employee ceases employment with Rebel. During the financial period, there were no options cancelled (2004: 188,000) relating to terminated employees.

Options Issued to Directors in a Previous Financial Period

At a general meeting of shareholders of Rebel held on 26 September 2002, shareholders approved the grant of 3,400,000 options to Stephen Heath, the Managing Director of Rebel. The options entitle the option holder to subscribe for 3,000,000 ordinary shares at an exercise price of \$0.83 per option ('the first tranche') and 400,000 ordinary shares at \$1.75 per option ('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 Model, 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.

None of the options issued to employees or directors of Rebel (unless subject to Board approval) can be transferred and they will not be quoted on the ASX. Once exercised, each outstanding option entitles the holder to subscribe for one fully paid ordinary share in Rebel.

30. Employee Benefits (continued)

Rebel Sport Limited (continued)

The following table summarises information about options exercised by employees of Rebel during the financial period ended 30 June 2005:

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	24,000	\$0.82	20,000	24,000	Various	\$2.49

The following table summarises information about options exercised by employees and a former director of Rebel during the previous financial period ended 30 June 2004:

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	575,000	\$0.82	472,000	575,000	Various	\$2.87
Former Director							
H. Seskin 3/08/2001	16/09/2003	800,000	\$0.67	536,000	800,000	16/09/2003	\$3.07
		1,375,000		1,008,000	1,375,000		

Mr Seskin resigned as a director on 30 June 2003.

Fair value of shares issued is estimated to be the market price of shares of Rebel Sport Limited 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 of Rebel:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2005	2004	2005	2004
03/07/2000	03/07/2005	\$0.82	20,000	44,000	20,000	28,000
10/10/2002*	30/09/2007	\$0.83	3,000,000	3,000,000	-	-
10/10/2002*	30/09/2007	\$1.75	400,000	400,000	-	-
04/04/2003*	04/04/2008	\$2.22	500,000	500,000	200,000	100,000
14/07/2003	14/07/2008	\$2.46	300,000	300,000	60,000	-
			4,220,000	4,244,000	280,000	128,000

*Options issued to individuals who are directors of Rebel Sport Limited.

There have been no options exercised by employees of Rebel since balance date.

	CONSOLIDATED		PARENT	
	2005 \$	2004 \$	2005 \$	2004 \$
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	910,086	824,697	-	-
- other services in relation to the entity and any other entity in the consolidated (a) entity	123,307	166,224	-	-
	1,033,393	990,921	-	-
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	79,268	87,526	-	-
- other services in relation to the entity and any other entity in the consolidated entity	182,890	60,862	-	-
	262,158	148,388	-	-
	1,295,551	1,139,309	-	-

(a) These services relate to tax compliance and other assurance related services. Total tax compliance services received from Ernst & Young was \$55,731 for the year ended 30 June 2005 (2004: \$125,159)

32. Director and Executive Disclosures**(a) Details of Specified Directors and Specified Executives***(i) Specified Directors*

G. Harvey	Executive Chairman
K.L. Page	Managing Director
R.J. Skippen	Finance Director and Company Secretary
A.B. Brew	Director
J.E. Slack-Smith	Director
S.P. Hauville	Director
C.H. Brown	Non-Executive Director
M.J. Harvey	Non-Executive Director
I.J. Norman	Non-Executive Director
K.W. Gunderson-Briggs	Non-Executive Director
G.C. Paton	Non-Executive Director

(ii) Specified Executives

R.C.D. Champion	General Manager – Property
M.L. Anderson	General Manager – Advertising
S. Lindsay	General Manager – Domayne
D. Ackery	General Manager – Electrical
T. Huckel	General Manager – Furniture and Bedding
C. Mentis	Financial Controller

(b) Remuneration of Specified Directors and Specified Executives*(i) Remuneration Policy*

On 30 June 2003, the Company established a remuneration committee, consisting of three non-executive directors, one of which is an independent director. Since 30 June 2005, the remuneration committee has consisted of three members, comprising three non-executive directors, two of whom are independent. The remuneration committee reviews the performance, and negotiates the remuneration of all executive directors. The remuneration committee reviews recommendations of the managing director and the finance director in relation to all employees of the Company, other than the executive directors. No individual is directly involved in deciding his/her remuneration. The remuneration committee believes that remuneration packages of executives of the Company involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives, appropriate to the circumstances and goals of the Company. A proportion of the remuneration of executive directors is structured in a manner designed to link rewards to corporate and individual performance.

The Company believes that the members of the remuneration committee can make, and do make, quality and independent judgements in the best interests of the Company on remuneration issues, notwithstanding that the members of the remuneration committee are not all independent.

The remuneration of non-executive directors is different to 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.

32. Director and Executive Disclosures (continued)

At the annual general meeting of the company held on 25 November 2003:

- (i) the Deferred Executive Incentive Share Plan ("DEIP"), a summary of which was set out in the Explanatory Notes accompanying the notice of that meeting, was approved by members for all purposes;
- (ii) the Harvey Norman Executive Option Plan ("EOP"), a summary of which was set out in the Explanatory Notes accompanying the notice of that meeting, was approved by members for all purposes;
- (iii) the Board of Directors of the Company was authorised, pursuant to the DEIP, to issue up to 2,576,666 fully paid ordinary shares in the Company to executive directors (as set out in the DEIP table below) in accordance with the DEIP rules and subject to the conditions set out in the Explanatory Notes which accompanied the notice of meeting;
- (iv) the Board of Directors of the Company was authorised, pursuant to the EOP, to issue up to 11,840,000 options to subscribe for up to 11,840,000 fully paid ordinary shares in the Company and to issue 11,840,000 fully paid ordinary shares following the valid exercise of any such options in the Company to executive directors (as set out in the EOP table below) in accordance with the EOP rules and subject to the conditions set out in the Explanatory Notes which accompanied the notice of meeting.
- (v) The Board of Directors of the Company was authorised, pursuant to the DEIP and EOP to invite executives, who are key executives, to participate in both the DEIP and the EOP as long as, when aggregated with the shares previously issued under the DEIP or EOP, the number of ordinary shares in the capital of the Company acquired or subscribed for or issued upon exercise of an option under the DEIP or EOP, does not exceed the Plan Limit of five percent of the number of ordinary shares in the capital of the Company.

	DEIP TABLE			
	2003	2004	2005	TOTAL
Gerald Harvey	166,667	166,667	166,666	500,000
Kay Lesley Page	166,667	166,667	166,666	500,000
Raymond John Skippen	250,000	200,000	200,000	650,000
Stephen Patrick Hauville	166,666	133,334	133,333	433,333
John Evyn Slack-Smith	166,666	133,334	133,333	433,333
Arthur Bayly Brew	20,000	20,000	20,000	60,000
	936,666	820,002	819,998	2,576,666

	EOP TABLE			
	2003	2004	2005	TOTAL
Gerald Harvey	1,000,000	1,000,000	1,000,000	3,000,000
Kay Lesley Page	1,000,000	1,000,000	1,000,000	3,000,000
Raymond John Skippen	800,000	800,000	800,000	2,400,000
Stephen Patrick Hauville	534,000	533,000	533,000	1,600,000
John Evyn Slack-Smith	534,000	533,000	533,000	1,600,000
Arthur Bayly Brew	80,000	80,000	80,000	240,000
	3,948,000	3,946,000	3,946,000	11,840,000

32. Director and Executive Disclosures (continued)

(ii) Remuneration of Specified Directors and Specified Executives

		Primary			Post	Equity		TOTAL
		Salary & Fees	Cash Bonus	Other Benefits	Employment Super-annuation	Shares	Options	
Specified Directors		\$	\$	\$	\$	\$	\$	\$
G. Harvey	2005	419,695	-	9,533	11,585	112,903	301,862	855,578
	2004	489,000	-	-	11,000	387,098	178,636	1,065,734
K.L. Page	2005	488,415	-	30,487	11,585	112,903	301,862	945,252
	2004	489,000	-	-	11,000	387,098	178,636	1,065,734
R.J. Skippen	2005	488,000	-	18,502	12,000	169,355	241,489	929,346
	2004	488,998	-	-	11,002	580,645	142,909	1,223,554
A.B. Brew	2005	239,769	-	15,238	11,585	13,548	24,149	304,289
	2004	207,568	-	54,093	9,352	46,452	14,291	331,756
J.E. Slack-Smith	2005	430,298	-	33,291	38,702	112,903	161,194	776,388
	2004	440,247	-	23,029	36,724	387,095	95,392	982,487
S.P. Hauville	2005	420,757	-	29,315	22,576	112,903	161,194	746,745
	2004	436,056	-	25,000	38,944	387,095	95,392	982,487
M.J. Harvey	2005	18,349	-	-	1,651	-	-	20,000
	2004	18,349	-	-	1,651	-	-	20,000
C.H. Brown	2005	18,349	-	-	3,520	-	-	21,869
	2004	18,349	-	-	1,651	-	-	20,000
I.J. Norman	2005	18,349	-	-	3,520	-	-	21,869
	2004	18,349	-	-	1,651	-	-	20,000
K.W. Gunderson-Briggs	2005	55,046	-	-	4,954	-	-	60,000
	2004	41,284	-	-	3,716	-	-	45,000
G.C. Paton	2005	-	-	-	-	-	-	-
Total Remuneration: Specified Directors								
	2005	2,597,027	-	136,366	121,678	634,515	1,191,750	4,681,336
	2004	2,647,200	-	102,122	126,691	2,175,483	705,256	5,756,752

Notes to the Financial Statements (continued)

32. Director and Executive Disclosures (continued)

		Primary			Post Employment	Equity		TOTAL
		Salary & Fees	Cash Bonus	Other Benefits	Super-annuation	Shares	Options	
Specified Executives		\$	\$	\$	\$	\$	\$	\$
R.C.D. Champion								
2005		298,561	-	46,301	11,585	-	-	356,447
2004		267,309	-	45,065	10,000	-	-	322,374
M.L. Anderson								
2005		214,793	-	20,442	16,240	-	-	251,475
2004		209,292	-	18,967	16,240	-	-	244,499
T. Huckel								
2005		-	-	-	-	-	-	-
2004		185,000	-	35,081	15,300	-	-	235,381
S. Lindsay								
2005		214,000	-	13,000	11,925	-	-	238,925
2004		190,000	-	13,000	17,100	-	-	220,100
D. Ackery								
2005		162,805	-	-	3,862	651	292	167,610
2004		-	-	-	-	-	-	-
C. Mentis								
2005		151,682	-	32,356	11,585	-	-	195,623
2004		114,802	-	47,737	10,332	-	-	172,871
Total Remuneration: Specified Executives								
2005		1,041,841	-	112,099	55,197	651	292	1,210,080
2004		966,403	-	159,850	68,972	-	-	1,195,225

Each of the specified executives are employed by a wholly owned subsidiary of Harvey Norman Holdings Limited.

(c) Remuneration Options: Granted and Vested During the Year

	Vested Number	Granted Number	Grant Date	Terms and Conditions For Each Grant			
				Value Per Option at Grant Date \$	Exercise Price Per Share \$	First Exercise Date	Last Exercise Date
Specified Directors							
G. Harvey	-	1,000,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
K.L. Page	-	1,000,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
R.J. Skippen	-	800,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
A.B. Brew	-	80,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
J.E. Slack-Smith	-	533,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
S.P. Hauville	-	533,000	28/09/04	\$0.43	\$2.93	01/09/06	30/11/08
M.J. Harvey	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-
I.J. Norman	-	-	-	-	-	-	-
K.W. Gunderson- Briggs	-	-	-	-	-	-	-
Specified Executives							
R.C.D. Champion	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-
S. Lindsay	-	-	-	-	-	-	-
D. Ackery	-	533,333	29/06/05	\$0.43	\$2.62	01/09/07	30/11/10
C. Mentis	-	-	-	-	-	-	-
	-	4,479,333					

32. Director and Executive Disclosures (continued)**Options Issued on 28 September 2004:**

The issue of options during the year ended 30 June 2005 pursuant to the EOP was approved by members at the annual general meeting of the company held on 25 November 2003. 3,946,000 options to subscribe for 3,946,000 fully paid ordinary shares were issued, free of charge, to the respective trustees of trusts for the benefit of certain specified directors on 28 September 2004 at an exercise price of \$2.93 per option (the "2004 EOP Options"). The 2004 EOP Options are:

- (i) not capable of exercise prior to 1 September 2006 and will lapse, if not exercised, no later than 30 November 2008;
- (ii) only exercisable whilst the specified director remains an employee of the Company or its subsidiaries; and
- (iii) subject to two performance conditions, both of which must be met before a 2004 EOP Option can be exercised.

The performance conditions are:

- Performance Condition 1: Earnings Per Share ("EPS") of the Company must increase by 10% per annum, cumulative, over the qualifying period; and
- Performance Condition 2: HVN Accumulated Total Shareholder Return ("TSR") of the Company must be greater than or equal to the ASX 300 Industrials Accumulation Index for two periods of 30 consecutive days during the qualifying period.

The qualifying period for the 2004 EOP Options is the year ended 30 June 2005.

The 2004 EOP Options have been valued at grant date using the recognised Black Scholes-Merton valuation methodology 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. Using the Black Scholes-Merton valuation methodology, the value of each of the 2004 EOP Options was \$0.4258 per option or \$1,680,207 in total.

The fair value of the 2004 EOP Options have not been recognised as part of remuneration for the specified directors during the current year as the relevant performance conditions in respect of the year ended 30 June 2005 have not been satisfied. Performance Condition 1 "Earnings Per Share of the Company must increase by 10% per annum cumulative, over the qualifying period" was not satisfied as basic earnings per share decreased by 2.65% relative to the previous financial year.

Under the EOP rules, both performance conditions under EOP are cumulative and each 2004 EOP option is available up to the last exercise date, being 30 November 2008. That is, if the performance conditions in respect of the 2004 EOP Options allocations are not met the options do not vest on 31 August 2006, but are still available, and may vest up to the last exercise date. No amount has been recognised as remuneration for the specified directors in the year ended 30 June 2005 as the likelihood of meeting the performance conditions in the future cannot be reasonably assessed and the vesting period upon which to amortise the fair value of the 2004 EOP Options cannot be determined.

Mr. S.P. Hauville resigned his position as a director of the Company on 31 August 2005. The 2004 EOP Options granted to a trust for the benefit of Mr. Hauville are deemed to have lapsed on that date as the required service condition for those options to vest, has not been met.

Options Issued on 29 June 2005:

533,333 options to subscribe for 533,333 fully paid ordinary shares were issued, free of charge, to the respective trustee of trust for the benefit of specified executive, Mr. D. Ackery, on 29 June 2005 at an exercise price of \$2.62 per option (the "2005 EOP Ackery Options"). The 2005 EOP Ackery Options are:

- (i) not capable of exercise prior to 1 September 2007 and will lapse, if not exercised, no later than 30 November 2010;
- (ii) only exercisable whilst the specified executive remains an employee of the Company or its subsidiaries; and
- (iii) subject to two performance conditions, both of which must be met before the options can be exercised.

The performance conditions are:

- Performance Condition 1: Earnings Per Share ("EPS") of the Company must increase by 10% per annum, cumulative, over the qualifying period; and
- Performance Condition 2: HVN Accumulated Total Shareholder Return ("TSR") of the Company must be greater than or equal to the ASX 300 Industrials Accumulation Index for two periods of 30 consecutive days during the qualifying period

32. Director and Executive Disclosures (continued)

The qualifying period for the 2005 EOP Ackery Options is the year ended 30 June 2006.

The 2005 EOP Ackery Options have been valued at grant date using the recognised Binomial valuation methodology 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. Using the Binomial valuation methodology, the value of the 2005 EOP Ackery Options was \$0.434 per option or \$231,467 in total.

Options Issued on 25 November 2003:

During the previous financial year, 3,948,000 options to subscribe for 3,948,000 fully paid ordinary shares were issued, free of charge, to the respective trustees of trusts for the benefit of certain specified directors on 25 November 2003 at an exercise price of \$3.00 per option (the "2003 EOP Options"). The 2003 EOP Options are:

- (i) not capable of exercise prior to 1 September 2005 and will lapse, if not exercised, no later than 30 November 2008;
- (ii) only exercisable whilst the specified director remains an employee of the Company or its subsidiaries; and
- (iii) subject to two performance conditions, both of which must be met before the options can be exercised.

The qualifying period for the 2003 EOP Options is the year ended 30 June 2004.

The 2003 EOP Options have been valued at grant date using the recognised Black Scholes-Merton valuation methodology 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. Using the Black Scholes-Merton valuation methodology, the value of the 2003 Options was \$0.5326 per option or \$2,102,705 in total. The value of the 2003 EOP Options determined at grant date is disclosed as part of remuneration evenly over the vesting period of the 2003 EOP Options.

(d) Option Holdings of Specified Directors and Specified Executives

	Balance at Beginning of Period 01/07/2004	Granted as Remuner- ation	Options Exercised	Net Change Other	Balance at End of Period 30/06/2005	Vested at 30 June 2005 Total	Not Exercisable
Specified Directors							
G. Harvey	1,000,000	1,000,000	-	-	2,000,000	-	-
K.L. Page	1,000,000	1,000,000	-	-	2,000,000	-	-
R.J. Skippen	800,000	800,000	-	-	1,600,000	-	-
A.B. Brew	80,000	80,000	-	-	160,000	-	-
J.E. Slack-Smith	534,000	533,000	-	-	1,067,000	-	-
S.P. Hauville*	534,000	533,000	-	-	1,067,000	-	-
M.J. Harvey	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-
I.J. Norman	-	-	-	-	-	-	-
K.W. Gunderson- Briggs	-	-	-	-	-	-	-
Specified Executives							
R.C.D. Champion	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-
S. Lindsay	-	-	-	-	-	-	-
D. Ackery	-	533,333	-	-	533,333	-	-
C. Mentis	-	-	-	-	-	-	-
	3,948,000	4,479,333	-	-	8,427,333	-	-

* Mr. S.P. Hauville resigned his position as a director of the Company on 31 August 2005. The 2004 EOP Options granted to a trust for the benefit of Mr. Hauville are deemed to have lapsed on that date as the required service condition for those options to vest, has not been met.

(e) Shares Issued on Exercise of Remuneration Options

No shares have been issued during the financial year as a result of the exercise of any option.

32. Director and Executive Disclosures (continued)

(f) Shareholdings of Specified Directors and Specified Executives

Shares held in Harvey Norman Holdings Limited (number):

	Balance at Beginning of Period 1 July 2004	Granted as Remuneration and held in trust under DEIP	Balance at End of Period 30 June 2005	Shares Forfeited on 31 August 2005	Balance at the Date of this Report 22 September 2005
Specified Directors					
G. Harvey	311,352,866	166,667	311,519,533	(166,667)	311,352,866
K.L. Page	19,847,257	166,667	20,013,924	(166,667)	19,847,257
R.J. Skippen	1,376,297	200,000	1,576,297	(200,000)	1,376,297
A.B. Brew	1,149,871	20,000	1,169,871	(20,000)	1,149,871
J.E. Slack-Smith	166,666	133,334	300,000	(133,334)	166,666
S.P. Hauville	587,907	133,334	721,241	(133,334)	587,907
M.J. Harvey	3,445,553	-	3,445,553	-	3,445,553
C.H. Brown	173,467	-	173,467	-	173,467
I.J. Norman	175,249,660	-	175,249,660	-	175,249,660
K.W. Gunderson- Briggs	3,000	-	3,000	-	3,000
Specified Executives					
R.C.D. Champion	-	-	-	-	-
M.L. Anderson	-	-	-	-	-
S. Lindsay	-	-	-	-	-
D. Ackery	-	133,334	133,334	-	133,334
C. Mentis	-	-	-	-	-
	<u>513,352,544</u>	<u>953,336</u>	<u>514,305,880</u>	<u>(820,002)</u>	<u>513,485,878</u>

Shares Issued on 28 September 2004:

During the financial year, pursuant to the DEIP, shares were issued as equity compensation benefits to the respective trustees of trusts for the benefit of certain specified directors, and held in trust under DEIP, as disclosed in the above table. The DEIP has been designed to allow eligible executives to receive performance bonuses in the form of shares.

To implement and administer the DEIP, a plan trustee company ("Plan Trustee") has been established.

The Plan Trustee has subscribed for, and been issued 820,002 new shares in the Company at an issue price of \$2.9263 per share ("2004 DEIP Shares"). The 2004 DEIP Shares have been registered in the name of the Plan Trustee, to be held by the respective trustees of trusts for the benefit of those specified directors (the "Participants"), subject to the terms and conditions of the DEIP. If the Performance and Service Conditions set down in the DEIP are satisfied, the shares issued to the Plan Trustee become available to the Participants, subject to the terms and conditions of the DEIP.

32. Director and Executive Disclosures (continued)

The Performance Conditions that apply to all DEIP share issues are set out in the table below.

Year of Allocation	2003	2004	2005
Share price	Market price at the date of issue. Must be issued before 30/11/2003	Market price at the date of issue. Must be issued after 31/08/2004 but before 30/11/2004	Market price at the date of issue. Must be issued after 31/08/2005 but before 30/11/2005
Financial year measured (Qualifying Period)	30/06/2004	30/06/2005	30/06/2006
Earnings per share increase	% of shares issued that will vest on 31/08/2004	% of shares issued that will vest on 31/08/2005	% of shares issued that will vest on 31/08/2006
< 5%	0	0	0
5%	50	50	50
6%	60	60	60
7%	70	70	70
8%	80	80	80
9%	90	90	90
10%	100	100	100
> 10%	100	100	100

The Service Condition will be deemed met, if the Executive remains employed on 31 August in the year after allocation. The Board will consider pro-rata vesting in its absolute discretion and subject to relevant contract and industrial relations issues.

If the Performance Condition for the relevant year is not met, or only a portion of the Performance Condition is met then those shares issued, but not vested, will be forfeited by the Participant by no later than 31 August in the relevant year.

The value of the 2004 DEIP Shares has not been disclosed as part of remuneration for the specified directors during the current year as the relevant Performance Condition that must be satisfied for the shares to vest in the Participant was not achieved in respect of the year ended 30 June 2005. Basic earnings per share for the year ended 30 June 2005 was 16.20 cents per share which is a decrease of 2.6% relative to the previous financial year. As the Performance Condition was not satisfied, the 2004 DEIP Shares issued in 2004 will be forfeited on 31 August 2005 and will become unavailable to the Participant.

Shares Issued on 29 June 2005:

On 29 June 2005, the Plan Trustee has subscribed for, and been issued 133,334 new shares in the Company at an issue price of \$2.6193 per share ("2005 DEIP Ackery Shares"). The 2005 DEIP Ackery Shares have been registered in the name of the Plan Trustee, to be held by the respective trustees of trusts for the benefit of the specified executive, Mr. D. Ackery, subject to the terms and conditions of the DEIP. The shares issued to the specified executive are assessed in respect of the year ended 30 June 2006.

Shares Issued on 25 November 2003:

During the previous financial year ended 30 June 2004, the Plan Trustee had subscribed for, and been issued 936,666 new shares in the Company at an issue price of \$3.004 per share ("2003 DEIP Shares"). The 2003 DEIP Shares have been registered in the name of the Plan Trustee, to be held by the respective trustees of trusts for the benefit of those specified directors (the "Participants"), subject to the terms and conditions of the DEIP.

32. Director and Executive Disclosures (continued)

The value of the 2003 DEIP Shares disclosed as remuneration for the year ended 30 June 2005, is calculated by multiplying the issue price of \$3.004 by the number of shares issued to the Plan Trustee for the benefit of each of the Participants. The value disclosed as equity compensation benefits has been apportioned over the vesting period and has been calculated as the number of days on issue during the current financial year over the total number of days in the vesting period. The number of shares issued to each of the Participants has not been discounted based on the likelihood of the performance and service conditions being met. The initial valuation presented to members at the annual general meeting in 2003, included a discount factor of 25% representing the historical performance of the consolidated entity in achieving the stipulated performance target. Based on the financial results for year ending 30 June 2004 and the achievement of the required Service Condition, there is no longer any requirement to discount the number of shares that has become available to each of the Participants.

All equity transactions with specified directors, other than those arising from the exercise of remuneration options, have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length, and in any event have been approved by members in general meeting.

(g) Loans to Specified Directors and Specified Executives

(i) Details of aggregates of loans to specified directors and specified executives including personally-related entities :

	Balance at Beginning of Period \$000	Interest Charged \$000	Balance at End of Period \$000	Number in Group
Specified Directors				
2005	-	-	-	-
2004	-	-	-	-
Specified Executives				
2005	2,663	-	-	-
2004	919	180	2,663	2

(ii) Details of individuals with loans above \$100,000 in the reporting period are as follows:

	Balance at Beginning of Period 1 July 2004 \$000	Interest Charged \$000	Balance at End of Period 30 June 2005 \$000	Highest Owing in Period 30 June 2005 \$000
Specified Executives				
R.C.D. Champion	2,649	-	-	2,649

Terms and Conditions of Loans

The company has not advanced any loans to the specified directors or specified executives during the year ended 30 June 2005.

During the previous financial year, there were two loans advanced to specified executives whereby commercial rates of interest were charged, ranging between 6.5% and 8.5%. A secured loan of \$2.77 million was advanced to a joint venture in which R.C.D. Champion, a specified executive, was interested. This loan has been repaid during the year ended 30 June 2005.

32. Director and Executive Disclosures (continued)

(h) Other Transactions and Balances with Specified Directors and Specified Executives

	CONSOLIDATED	
	2005 \$	2004 \$
<i>(i) Loans from specified directors to subsidiaries of Harvey Norman Holdings Limited:</i>		
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 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 entities associated with the above mentioned directors.	4,873,000	10,942,000
Interest paid/payable	1,260,000	773,000
<i>(ii) Legal fees paid to a director-related entity:</i>		
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.		
	580,603	752,105
<i>(iii) Lease of business premises from Ruzden Pty Limited:</i>		
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.		
	3,830,111	3,758,931
<i>(iv) Income derived by other director-related entities:</i>		
Certain franchises are operated by entities owned or controlled by relatives of specified directors under normal franchisee terms and conditions. Aggregated net income derived by entities owned or controlled by relatives of directors is as disclosed.		
	559,445	596,954

32. Director and Executive Disclosures (continued)

(v) 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 2005 this has been accounted for as a joint venture entity as disclosed in Note 39. 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 2005 was \$1.413 million and for the year ended 30 June 2004 was \$1.404 million.

(vi) The Byron at Byron Resort, Spa and Conference Centre

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 at Byron Resort, Spa and Conference Centre for a purchase price of \$7.1 million. In the financial report for the year ended 30 June 2005, this has been accounted for as a joint venture entity as disclosed in Note 39. 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.

(vii) National Rugby League Limited

Ms. K.L. Page is a director of National Rugby League Limited. During the financial period, wholly owned subsidiaries of Harvey Norman Holdings Limited paid for advertising and sponsorships totalling \$3.55 million to National Rugby League Limited. All dealings with that entity are in the ordinary course of business and on normal commercial terms and conditions.

33. Related Party Transactions

(a) Ultimate Controlling Entity

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

	CONSOLIDATED	
	2005 \$	2004 \$
(b) Transactions with other Related Parties		
<i>(i) Advertising charges to controlled entities:</i>		
Generic Publications Pty Limited ("Generic") (a wholly owned subsidiary of Harvey Norman Holdings Limited) charged Rebel Sports Limited for advertising, production and related services. The charges were at normal commercial terms and conditions and have been eliminated on consolidation.	11,474,000	6,403,000
Generic charged Pertama Merchandising Pte Ltd (a wholly owned subsidiary of Pertama Holdings Limited) advertising production charges for advertising services. The charges were at normal commercial terms and conditions and have been eliminated on consolidation.	15,000	60,000
<i>(ii) Other related party transactions</i>		
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.	-	43,000
Calardu Loganholme Pty Limited, as trustee for Calardu Loganholme 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.	105,000	-
Calardu Silverwater Pty Limited, as trustee for Calardu Silverwater 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.	253,000	-
Rebel Sport Limited has deposited funds with Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited). The funds were deposited at normal commercial terms and conditions and have been eliminated on consolidation. The amount of such funds deposited at balance date was:	16,500,000	16,000,000
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.	1,180,000	1,303,000

	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000

34. Commitments

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

Not later than one year	55,288	73,645	-	-
Later than one year but not later than five years	4,034	20,263	-	-
	59,322	93,908	-	-

(b) Lease expenditure commitments:

(i) Finance lease rentals are payable as follows:

Not later than one year	1,382	3,456	-	-
Later than one year but not later than five years	563	1,529	-	-
Minimum finance lease payments	1,945	4,985	-	-
Deduct future finance charges	(119)	(270)	-	-
Deduct future GST recoverable	(103)	(404)	-	-
Total finance lease liabilities	1,723	4,311	-	-
Disclosed as follows:				
Current liabilities (refer Note 18)	1,293	3,046	-	-
Non-current liabilities (refer Note 22)	430	1,265	-	-
	1,723	4,311	-	-

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	109,742	100,421	-	-
Later than one year but not later than five years	316,708	284,688	-	-
Later than five years	169,866	174,072	-	-
	596,316	559,181	-	-
Deduct future GST recoverable	(47,636)	(42,976)	-	-
Total operating lease liabilities	548,680	516,205	-	-

34. Commitments (continued)

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.

CONSOLIDATED		PARENT	
2005 \$000	2004 \$000	2005 \$000	2004 \$000

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

Not later than one year	5,704	35,193	-	-
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	CONSOLIDATED		PARENT	
	2005 \$000	2004 \$000	2005 \$000	2004 \$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

46,760	45,573	-	-
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Other contingent liabilities relating to various line of credit facilities utilised

5,021	-	-	-
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The parent entity has guaranteed the performance of a number of controlled entities which have entered into leases with other parties.

-	-	284,247	255,262
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Total contingent liabilities	51,781	45,573	284,247	255,262
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36. Financing Arrangements

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

	2005 CONSOLIDATED		
	Accessible \$000	Drawn-down \$000	Unused \$000
Bank Bill Standby Arrangements	554,434	400,678	153,756
Bank Overdraft	48,425	32,891	15,534
Commercial Mortgage Backed Securities	253,676	253,676	-
Total financing facilities	856,535	687,245	169,290

	2004 CONSOLIDATED		
	Accessible \$000	Drawn-down \$000	Unused \$000
Bank Bill Standby Arrangements	300,306	218,939	81,367
Bank Overdraft	49,754	31,562	18,192
Commercial Mortgage Backed Securities	251,905	251,905	-
Total financing facilities	601,965	502,406	99,559

36. Financing Arrangements (continued)

The consolidated entity has \$470 million of the Bank Bill standby arrangement facility on five fixed interest rate swaps as follows:

Interest Swap Principal	Fixed Interest Rate	Expiry Date
150,000,000	5.75%	7 May 2010
100,000,000	5.64%	18 May 2009
150,000,000	6.21%	19 May 2009
40,000,000	6.37%	19 May 2009
30,000,000	6.52%	19 May 2009

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 32(h)(i) for details in relation to loans by directors to Darni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited).

37. 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.

37. 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.

2005	Principal Subject to Floating interest rate \$000	Fixed interest rate maturing in			Non- interest bearing \$000	Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000			Floating	Fixed
Financial assets								
Cash	118,125	13,376	-	-	17,895	149,396	0.5 – 5.75%	0.41 – 3%
Consumer finance loans	-	-	16	-	10,752	10,768	-	9%
Finance lease receivables	-	10,741	18,038	-	-	28,779	-	5 – 11%
Trade debtors	-	-	-	-	789,256	789,256	-	-
Other financial assets	-	-	-	-	62,856	62,856	-	-
Non-trade debtors & loans	38,102	-	-	-	1,576	39,678	6.49 – 12%	-
	156,227	24,117	18,054	-	882,335	1,080,733		
Financial liabilities								
Bank overdraft	35,730	2,123	-	-	-	37,853	0-9.35%	5.69-5.75%
Payables	-	-	-	-	558,450	558,450	-	-
Finance lease liabilities	-	1,293	430	-	-	1,723	-	8-8.19%
Hedge payable	-	-	-	-	33,450	33,450	-	-
Other loans	30,854	-	-	-	2,633	33,487	5-10%	-
	66,584	3,416	430	-	594,533	664,963		
Bills payable	400,678	-	-	-	-	400,678	2.37-6.99%	-
CMBS	253,676	-	-	-	-	253,676	5.88-6.19%	-
Interest rate swaps	(470,000)	-	470,000	-	-	-	5.88-6.19%	5.64-6.52%
	184,354	-	470,000	-	-	654,354		
	250,938	3,416	470,430	-	594,533	1,319,317		

(a) The consolidated entity is required to pay interest costs at various floating rates of interest on bank bills and on the CMBS loan. In order to protect part of the loans from exposure to increasing interest rates, the consolidated entity has entered into several interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The swaps currently in place as at 30 June 2005 cover approximately 72% of the non-current interest bearing liabilities outstanding at year-end.

37. Financial Instruments (continued)

2004	Principal Subject to Floating interest rate \$000	Fixed interest rate maturing in			Non- interest bearing \$000	Total \$000	Average interest rate	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000			Floating	Fixed
Financial assets								
Cash	53,344	30,000	-	-	5,298	88,642	0.31% - 5.35%	5.25%
Consumer finance loans	-	3	268	-	11,352	11,623	-	9.0%
Finance lease receivables	23,758	-	-	-	-	23,758	8.0% - 12.0%	-
Trade debtors	-	-	-	-	714,173	714,173	-	-
Other financial assets	-	-	-	-	18,006	18,006	-	-
Non-trade debtors & loans	33,837	-	-	-	2,181	36,018	6.49%-12.0%	-
	110,939	30,003	268	-	751,010	892,220		
Financial liabilities								
Bank overdraft	34,302	-	-	-	-	34,302	0.0%-9.35%	-
Payables	-	-	-	-	552,492	552,492	-	-
Finance lease liabilities	-	2,907	1,404	-	-	4,311	-	8.0-8.19%
Hedge payable	-	-	-	-	561	561	-	-
Other loans	23,446	-	-	-	2,083	25,529	0.0%-8.0%	-
	57,748	2,907	1,404	-	555,136	617,195		
Bills payable	218,939	-	-	-	-	218,939	1.73%-6.55%	-
CMBS	251,905	-	-	-	-	251,905	5.88%-6.19%	-
Interest rate swaps (a)	(320,000)	-	320,000	-	-	-	5.88%-6.19%	5.97-6.52%
	150,844	-	320,000	-	-	470,844		
	208,592	2,907	321,404	-	555,136	1,088,039		

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

37. 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		2005		2004	
	2005	2004	Buy \$000	Sell \$000	Buy \$000	Sell \$000
Currency						
Euro						
6 months or less	61.79	57.19	7,734	-	561	-
US Dollar						
4 months or less	75.42	-	8,736	-	-	-
12 months or less	75.38	-	16,980	-	-	-
Total			33,450	-	561	-

(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			
	2005		2004	
	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 (non-current)	7,763	8,919	8,704	9,900
Financial liabilities				
Interest-Bearing Liabilities:				
- Net interest payable on interest rate swap	1,590	4,273	1,004	2,819

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 \$4,813,423 and a net fair value, based on the market value at 30 June 2005, of \$5,968,644.

The net interest payable on the interest rate swaps are recorded in the books at \$1,590,132 and the fair value, based on the market value at 30 June 2005, is \$4,273,051 (2004: \$1,003,742 with a fair value of \$2,818,626).

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

37. 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	
	2005 \$000	2004 \$000
Australia	840,421	719,666
New Zealand	17,587	11,645
Singapore	28,229	37,628
Slovenia	3,191	8,000
United Kingdom	1,111	744
Ireland	4,821	1,110
Total	895,360	778,793

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

38. Other Segment Information

	Equity Accounted Investments included in Segment Assets		Non-cash Expenses other than Depreciation and Amortisation		Acquisition of Property, Plant and Equipment, Intangible Assets and other Non-current Assets	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
FRANCHISING OPERATIONS	-	-	1,009	964	95,511	89,464
Retail – New Zealand	-	-	2,129	688	6,909	6,196
Retail – Rebel Sport	-	-	(715)	360	12,657	6,959
Retail – Asia	-	-	1,994	2,237	1,558	3,178
Retail – Slovenia	-	-	742	327	156	110
Other Non-Franchised Retail	-	-	(384)	234	3,251	12,551
TOTAL RETAIL	-	-	3,766	3,846	24,531	28,994
Retail Property	66,622	28,114	(3,768)	(3,822)	132,867	95,518
Property Under Construction for Retail	9,385	6,467	-	-	5,793	442
Property Development for Resale	12,541	19,076	-	-	6,554	12,446
TOTAL PROPERTY	88,548	53,657	(3,768)	(3,822)	145,214	108,406
Financial Services	-	-	537	44	47,409	29,504
Share Trading	-	-	-	-	(1,278)	1,770
TOTAL OTHER	-	-	537	44	46,131	31,274
Eliminations	-	-	-	-	-	-
CONSOLIDATED	88,548	53,657	1,544	1,032	311,387	258,138

39. Associates and Joint Venture Entities

	CONSOLIDATED Investment		CONSOLIDATED Share of net profit/(loss)	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Joint venture entities	88,548	53,657	3,768	3,402
Total accounted for using equity method	88,548	53,657	3,768	3,402

Investments in Partnerships:

Details of material interests in partnerships are as follows:

Name and Principal activities	Ownership interest		Carrying amount	
	2005	2004	CONSOLIDATED 2005 \$000	2004 \$000
Lighting Partnership				
- Lighting retail business	99.9%	99.9%	-	-
			-	-

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)	
	2005 %	2004 %	2005 \$000	2004 \$000
Noarlunga Shopping complex	50%	50%	17	1
Warwick Shopping complex	33.33%	33.33%	82	60
Perth City West Shopping complex	50%	50%	1,138	871
Bathurst Shopping complex and warehouse	50%	50%	60	54
Kelso Development of land for resale	50%	50%	616	865
Tweed Heads – Stage 1 Shopping complex	50%	50%	639	625
Warrawong (a) Shopping complex	62.5%	62.5%	286	307
Tweed Heads Traders Way Building development	50%	50%	(28)	(15)
Sylvania Residential development	40%	40%	823	608
Byron Bay Residential/convention development	50%	50%	(90)	(102)
Warrawong 151 – 155 King St (a) Shopping complex	62.5%	62.5%	(34)	-
Warrawong Homestarters Retail shop	50%	50%	123	128
Mentone Shopping complex/residential development	50%	50%	262	-
Byron Bay (2) Resort operations	50%	-	(327)	-
Byron Bay (3) (not currently trading)	50%	-	-	-
Dubbo Shopping complex / building development	50%	-	201	-
			3,768	3,402

(a) 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.

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

Aggregate carrying amounts of joint venture entities

CONSOLIDATED 2005				
	Retained Profits \$000	Other Reserves \$000	Cost \$000	Total carrying amount \$000
Balance at the beginning of the year	-	4,034	49,623	53,657
Movements during the year:				
Investments acquired	-	-	39,668	39,668
Distributions received	(3,768)	-	(4,777)	(8,545)
Share of net profit	3,768	-	-	3,768
Balance at the end of the year	-	4,034	84,514	88,548

CONSOLIDATED 2004				
	Retained Profits \$000	Other Reserves \$000	Cost \$000	Total carrying amount \$000
Balance at the beginning of the year	-	4,034	43,486	47,520
Movements during the year:				
Investments acquired	-	-	9,959	9,959
Distributions received	(3,402)	-	(3,822)	(7,224)
Share of net profits	3,402	-	-	3,402
Balance at the end of the year	-	4,034	49,623	53,657

Financial summary of joint venture entities

CONSOLIDATED		
	2005 \$000	2004 \$000
Current assets	112,424	54,774
Non-current assets	70,828	58,941
Current liabilities	(1,800)	(5,903)
Non-current liabilities	-	-
Net Assets	181,452	107,812
Revenues	21,103	17,658
Expenses	(13,174)	(10,204)
Profit from ordinary activities before income tax expense	7,929	7,454
Income tax expense relating to ordinary activities	-	-
Net profit	7,929	7,454
Share of net profit of joint venture entities	3,768	3,402

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	
	2005 %	2004 %	2005 %	2004 %
Misstar Pty Ltd Agent Company for lighting partnership stores	99.9%	99.9%	-	-
Bossee Pty Ltd Buying Agent for lighting partnership stores	50.0%	50.0%	-	-

As Misstar Pty Limited is effectively controlled by a wholly-owned subsidiary of Harvey Norman Holdings Limited, it has been consolidated into the group accounts.

Aggregate carrying amounts of associates

The aggregate carrying amounts of associates is \$4 (2004: \$4).

Financial summary of associates

	CONSOLIDATED	
	2005 \$000	2004 \$000
Current assets	359	1,114
Non-current assets	-	-
Current liabilities	(359)	(1,114)
Non-current liabilities	-	-
Net Assets	-	-
Revenues	36	232
Expenses	(36)	(232)
Profit from ordinary activities before income tax expense	-	-
Income tax expense relating to ordinary activities	-	-
Net profit	-	-
Share of net profit of associated entities	-	-

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
Achiever Computers Pty Ltd¹
Aloku Pty Limited
Anwarah Pty Limited
Arisit Pty Limited^{1,2,18}
Arlenu Pty Limited
Armidale Holdings Pty Limited^{1,22}
Arpayo Pty Limited
Aspley Electrics Pty Limited^{1,7}
Aspley Furniture Pty Limited¹
Aubdirect Pty Limited¹
Australian Business Skills Centre Pty Limited^{1,24}
Balwundu Pty Limited
Barrayork Pty Limited¹
Becto Pty Limited¹⁹
Bedden Pty Limited^{1,7}
Bellevue Hill Pty Limited¹
Bestest Pty Limited
Bossee Pty Limited^{1,2}
Bradiz Pty Limited
Braxpine Pty Limited
Brownsell Pty Limited^{1,7}
Byron Bay Facilities Pty Limited^{1,25}
Byron Bay Management Pty Limited^{1,26}
Caesar Mosaics Pty Limited¹
Calardu Pty Limited
Calardu Albany Pty Limited^{1,6}
Calardu Albury Pty Limited^{1,6}
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 Limited¹
Calardu Belrose DM Pty Limited¹
Calardu Berri (SA) Pty Limited¹
Calardu Berrimah Pty Limited¹
Calardu Broadmeadow Pty Limited¹
Calardu Broadmeadows VIC Pty Limited¹
Calardu Browns Plains Pty Limited¹
Calardu Bunbury (WA) Pty Limited
Calardu Bundall Pty Limited¹
Calardu Burnie Pty Limited^{1,6}
Calardu Campbelltown Pty Limited¹

Name

Calardu Cannington Pty Limited
Calardu Caringbah Pty Limited¹
Calardu Caringbah (Taren Point) Pty Limited¹
Calardu Chatswood Pty Limited¹
Calardu Crows Nest Pty Limited¹
Calardu Cubitt Pty Limited^{1,6}
Calardu Darwin Pty Limited¹
Calardu Dubbo Pty Limited¹
Calardu Frankston Pty Limited¹
Calardu Fyshwick DM Pty Limited¹
Calardu Gordon Pty Limited¹
Calardu Guildford Pty Limited¹
Calardu Hervey Bay Pty Limited¹
Calardu Hobart Pty Limited¹
Calardu Hoppers Crossing Pty Limited¹
Calardu Horsham Pty Limited¹
Calardu Joondalup Pty Limited
Calardu Kalgoorlie Pty Limited¹
Calardu Kalgoorlie Oswald St Pty Limited¹
Calardu Karana Downs Pty Limited¹
Calardu Karratha Pty Limited¹
Calardu Kawana Waters Pty Limited^{1,6}
Calardu Kemblawarra Pty Limited¹
Calardu Launceston Pty Limited¹
Calardu Loganholme Pty Limited¹
Calardu Maitland Pty Limited¹
Calardu Malaga Pty Limited^{1,6}
Calardu Mandurah Pty Limited¹
Calardu Maribyrnong Pty Limited
Calardu Marion Pty Limited
Calardu Maryborough Pty Limited¹
Calardu Melville Pty Limited
Calardu Mentone Pty Limited¹
Calardu Midland Pty Limited¹
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 Limited
Calardu Nowra Pty Limited¹
Calardu Penrith Pty Limited
Calardu Perth City West Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

Calardu Port Macquarie Pty Limited
 Calardu Preston Pty Limited
 Calardu Queensland Pty Limited
 Calardu Raine Square Pty Limited^{1,6}
 Calardu Richmond Pty Limited
 Calardu Rockhampton Pty Limited^{1,6}
 Calardu Rockingham Pty Limited
 Calardu Roselands Pty Limited¹
 Calardu Rutherford Pty Limited^{1,6}
 Calardu Sale Pty Limited¹
 Calardu Silverwater Pty Limited¹
 Calardu South Australia Pty Limited
 Calardu Springvale Pty Limited¹
 Calardu Swan Hill Pty Limited¹
 Calardu Sylvania Pty Limited¹
 Calardu Taree Pty Limited¹
 Calardu Thebarton Pty Limited¹
 Calardu Toorak Pty Limited^{1,6}
 Calardu Townsville Pty Limited¹
 Calardu Tweed Heads Pty Limited
 Calardu Tweed Heads Traders Way Pty Limited¹
 Calardu Vicfurn 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
 Carfurn Pty Limited^{1,7}
 Carlondo Pty Limited
 Charmela Pty Limited
 Cityel Pty Limited¹
 Clambruno Pty Limited
 Concomp Pty Limited^{1,7}
 Cropp Pty Limited¹
 D.M. Alexandria Franchisor Pty Limited
 D.M. Alexandria Leasing Pty Limited¹
 D.M. Alexandria Licencing Pty Limited¹
 D.M. Auburn Franchisor Pty Limited
 D.M. Auburn Leasing Pty Limited¹
 D.M. Auburn Licencing Pty Limited¹
 D.M. Bundall Franchisor Pty Limited
 D.M. Bundall Leasing Pty Limited¹
 D.M. Fyshwick Franchisor Pty Limited
 D.M. Fyshwick Leasing Pty Limited¹
 D.M. Kotara Franchisor Pty Limited
 D.M. Kotara Leasing Pty Limited¹
 D.M. Leicht Franchisor Pty Limited¹
 D.M. Liverpool Franchisor Pty Limited

Name

D.M. Liverpool Leasing Pty Limited¹
 D.M. North Ryde Franchisor Pty Limited^{1,6}
 D.M. North Ryde Leasing Pty Limited^{1,6}
 D.M. Penrith Franchisor Pty Limited
 D.M. Penrith Leasing Pty Limited¹
 D.M. QVH Franchisor Pty Limited
 D.M. QVH Leasing Pty Limited¹
 D.M. Warrawong Franchisor Pty Limited
 D.M. Warrawong Leasing Pty Limited¹
 Daldere Pty Limited
 Dandolena Pty Limited
 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
 Dubbo JV Pty Limited¹
 Durslee Pty Limited
 Edbrook Pty Limited⁵
 Edbrook Everton Park Pty Limited¹
 Electall Pty Limited^{1,7}
 Electwarr Pty Limited¹
 Enfiel Pty Limited^{1,6,7}
 Everbed Pty Limited^{1,6,7}
 Farane Pty Limited
 Flormonda Pty Limited
 Forgetful Pty Limited¹
 Furnbund Pty Limited^{1,6}
 Furnen Pty Limited^{1,6,7}
 Furngrav Pty Limited^{1,6,7}
 Gambiel Pty Limited^{1,6,7}
 Ganoru Pty Limited
 Generic Publications Pty Limited¹
 Geraldton WA Pty Limited¹
 Gestco Pty Limited
 Gestco Greensborough Pty Limited
 Glo Light Pty Limited^{1,23}
 H.N. Adelaide CK Franchisor Pty Limited
 H.N. Adelaide CK Leasing Pty Limited¹
 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
 H.N. Armadale WA Leasing Pty Limited¹
 H.N. Armidale Franchisor Pty Limited
 H.N. Armidale Leasing Pty Limited¹
 H.N. Aspley Franchisor Pty Limited

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

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
 H.N. Belmont Franchisor Pty Limited
 H.N. Belmont Leasing Pty Limited¹
 H.N. Bendigo Franchisor Pty Limited
 H.N. Bendigo Leasing Pty Limited¹
 H.N. Bernoth Franchisor Pty Limited
 H.N. Bernoth Leasing Pty Limited¹
 H.N. Bernoth Plant & Equipment Pty Limited
 H.N. Blacktown Franchisor Pty Limited
 H.N. Blacktown Leasing Pty Limited¹
 H.N. Bondi Junction Franchisor Pty Limited¹
 H.N. Bondi Junction Leasing Pty Limited¹
 H.N. Broadmeadow (VIC) Franchisor Pty Limited^{1,6}
 H.N. Broadmeadow (VIC) Leasing Pty Limited^{1,6}
 H.N. Broadway on the Mall Franchisor Pty Limited
 H.N. Broadway on the Mall Leasing Pty Limited¹
 H.N. Broadway (Sydney) Franchisor Pty Limited
 H.N. Broadway (Sydney) Leasing Pty Limited¹
 H.N. Browns Plains Franchisor Pty Limited
 H.N. Browns Plains Leasing Pty Limited¹
 H.N. Bunbury Franchisor Pty Limited
 H.N. Bunbury Leasing Pty Limited¹
 H.N. Bundaberg Franchisor Pty Limited
 H.N. Bundaberg Leasing Pty Limited¹
 H.N. Bundall Franchisor Pty Limited
 H.N. Bundall Leasing Pty Limited¹
 H.N. Burleigh Heads Franchisor Pty Limited
 H.N. Burleigh Heads Leasing Pty Limited¹
 H.N. Busselton Franchisor Pty Limited
 H.N. Busselton Leasing Pty Limited¹
 H.N. Cairns Franchisor Pty Limited
 H.N. Cairns Leasing Pty Limited¹
 H.N. Campbelltown Franchisor Pty Limited
 H.N. Campbelltown Leasing Pty Limited¹
 H.N. Cannington W.A. Franchisor Pty Limited
 H.N. Cannington W.A. Leasing Pty Limited¹
 H.N. Cards Pty Limited^{1,6}
 H.N. Carindale Franchisor Pty Limited

Name

H.N. Carindale Leasing Pty Limited¹
 H.N. Caringbah Franchisor Pty Limited
 H.N. Caringbah Leasing Pty Limited¹
 H.N. Castle Hill Franchisor Pty Limited^{1,6}
 H.N. Castle Hill Leasing Pty Limited^{1,6}
 H.N. Chatswood Franchisor Pty Limited
 H.N. Chatswood Leasing Pty Limited¹
 H.N. Chirnside Park Franchisor Pty Limited
 H.N. Chirnside Park Leasing Pty Limited¹
 H.N. City Cross Franchisor Pty Limited¹
 H.N. City Cross Leasing Pty Limited¹
 H.N. City West Franchisor Pty Limited
 H.N. City West Leasing Pty Limited¹
 H.N. Coffs Harbour Franchisor Pty Limited
 H.N. Coffs Harbour Leasing Pty Limited¹
 H.N. Cranbourne Franchisor Pty Limited
 H.N. Cranbourne Leasing Pty Limited¹
 H.N. Dalby Franchisor Pty Limited
 H.N. Dalby Leasing Pty Limited¹
 H.N. Dandenong Franchisor Pty Limited
 H.N. Dandenong Leasing Pty Limited¹
 H.N. Darwin Franchisor Pty Limited
 H.N. Darwin Leasing Pty Limited¹
 H.N. Deniliquin Franchisor Pty Limited
 H.N. Deniliquin Leasing Pty Limited¹
 H.N. Dubbo Franchisor Pty Limited
 H.N. Dubbo Leasing Pty Limited¹
 H.N. Enfield Franchisor Pty Limited
 H.N. Enfield Leasing Pty Limited¹
 H.N. Everton Park Franchisor Pty Limited
 H.N. Everton Park Leasing Pty Limited¹
 H.N. Fortitude Valley Franchisor Pty Limited
 H.N. Fortitude Valley Leasing Pty Limited¹
 H.N. Fremantle Franchisor Pty Limited
 H.N. Fremantle Leasing Pty Limited¹
 H.N. Fyshwick Franchisor Pty Limited
 H.N. Fyshwick Leasing Pty Limited¹
 H.N. Geelong Franchisor Pty Limited
 H.N. Geelong Leasing Pty Limited¹
 H.N. Geraldton Leasing Pty Limited¹
 H.N. Geraldton WA Franchisor Pty Limited
 H.N. Gladstone Franchisor Pty Limited
 H.N. Gladstone Leasing Pty Limited¹
 H.N. Gordon Franchisor Pty Limited
 H.N. Gordon Leasing Pty Limited¹
 H.N. Gosford Leasing Pty Limited¹
 H.N. Goulburn Franchisor Pty Limited^{1,6}
 H.N. Goulburn Leasing Pty Limited^{1,6}
 H.N. Grafton Franchisor Pty Limited
 H.N. Grafton Leasing Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

H.N. Greensborough Franchisor Pty Limited
 H.N. Greensborough Leasing Pty Limited¹
 H.N. Griffith Franchisor Pty Limited
 H.N. Griffith Leasing Pty Limited¹
 H.N. Hamilton Franchisor Pty Limited
 H.N. Hamilton Leasing Pty Limited¹
 H.N. Hervey Bay Franchisor Pty Limited
 H.N. Hervey Bay Leasing Pty Limited¹
 H.N. Hoppers Crossing Franchisor Pty Limited
 H.N. Hoppers Crossing Leasing Pty Limited¹
 H.N. Horsham Franchisor Pty Limited
 H.N. Horsham Leasing Pty Limited¹
 H.N. Indooroopilly Franchisor Pty Limited
 H.N. Indooroopilly Leasing Pty Limited¹
 H.N. Innisfail Franchisor Pty Limited
 H.N. Innisfail Leasing Pty Limited¹
 H.N. Inverell Franchisor Pty Limited
 H.N. Inverell Leasing Pty Limited¹
 H.N. Joondalup Franchisor Pty Limited
 H.N. Joondalup Leasing Pty Limited¹
 H.N. Kalgoorlie Franchisor Pty Limited
 H.N. Kalgoorlie Leasing Pty Limited¹
 H.N. Karratha Franchisor Pty Limited
 H.N. Karratha Leasing Pty Limited¹
 H.N. Kawana Waters Franchisor Pty Limited
 H.N. Kawana Waters Leasing Pty Limited¹
 H.N. Knox Towerpoint Franchisor Pty Limited
 H.N. Knox Towerpoint Leasing Pty Limited¹
 H.N. Leichhardt Franchisor Pty Limited
 H.N. Leichhardt Leasing Pty Limited¹
 H.N. Lismore Franchisor Pty Limited
 H.N. Lismore Leasing Pty Limited¹
 H.N. Liverpool Franchisor Pty Limited
 H.N. Liverpool Leasing Pty Limited¹
 H.N. Loganholme Franchisor Pty Limited
 H.N. Loganholme Leasing Pty Limited¹
 H.N. Loughran Contracting Pty Limited¹
 H.N. Mackay Franchisor Pty Limited
 H.N. Mackay Leasing Pty Limited¹
 H.N. Maddington Franchisor Pty Limited
 H.N. Maddington Leasing Pty Limited¹
 H.N. Maitland Franchisor Pty Limited
 H.N. Maitland Leasing Pty Limited¹
 H.N. Mandurah Franchisor Pty Limited
 H.N. Mandurah Leasing Pty Limited¹
 H.N. Maribyrnong Franchisor Pty Limited
 H.N. Maribyrnong Leasing Pty Limited¹
 H.N. Marion Franchisor Pty Limited
 H.N. Marion Leasing Pty Limited¹
 H.N. Maroochydore Franchisor Pty Limited

Name

H.N. Maroochydore Leasing Pty Limited¹
 H.N. Martin Place Sydney Franchisor Pty Limited
 H.N. Martin Place Sydney Leasing Pty Limited¹
 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. Mt Isa Franchisor Pty Limited
 H.N. Mt Isa 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. Norwest Franchisor Pty Limited¹
 H.N. Norwest 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
 H.N. Oakleigh CK Leasing Pty Limited¹
 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

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

H.N. Oxley Franchisor Pty Limited
H.N. Oxley Leasing Pty Limited¹
H.N. Pacific Fair Franchisor Pty Limited^{1,6}
H.N. Pacific Fair Leasing Pty Limited^{1,6}
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 Limited
H.N. Peppermint Grove Leasing Pty Limited¹
H.N. Port Hedland Franchisor Pty Limited
H.N. Port Hedland Leasing Pty Limited¹
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

Name

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. Waurn Ponds Franchisor Pty Limited
H.N. Waurn Ponds 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
Haproc Pty Limited^{1,7}
Hardly Normal Discounts Pty Limited
Hardly Normal Pty Limited
Hardly Normal Limited^{1,8,9}
Harvey Cellars Pty Limited¹
Harvey Liquor Pty Limited¹
Harvey Norman (ACT) Pty Limited
Harvey Norman Burnie Franchisor Pty Limited
Harvey Norman Burnie Leasing Pty Limited¹
Harvey Norman Commercial Your Solution
Provider Pty Limited¹
Harvey Norman Computer Club Pty Limited¹
Harvey Norman Computer Training Pty Limited¹
Harvey Norman Contracting Pty Limited¹
Harvey Norman Corporate Air Pty Limited¹
Harvey Norman Devonport Franchisor Pty Limited
Harvey Norman Devonport Leasing Pty Limited¹
Harvey Norman Energy Pty Limited
Harvey Norman Export Pty Limited
Harvey Norman Europe d.o.o.^{1,11}
Harvey Norman Fitouts Pty Limited¹
Harvey Norman Gamezone Pty Limited¹
Harvey Norman Glenorchy Franchisor Pty Limited
Harvey Norman Glenorchy Leasing Pty Limited¹
Harvey Norman Hobart Franchisor Pty Limited
Harvey Norman Hobart Leasing Pty Limited¹
Harvey Norman Holdings (Ireland) Limited^{1,20}
Harvey Norman Home Cellars Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

Harvey Norman Home Loans Pty Limited¹
 Harvey Norman Home Starters Pty Limited¹
 Harvey Norman Launceston Franchisor Pty Limited
 Harvey Norman Launceston Leasing Pty Limited¹
 Harvey Norman Leasing Pty Limited¹
 Harvey Norman Leasing (Cork) Limited^{1,20}
 Harvey Norman Leasing (Dublin) Limited^{1,20}
 Harvey Norman Leasing (Dundalk) Limited^{1,20}
 Harvey Norman Leasing (N.Z.) Limited^{1,8,9}
 Harvey Norman Limited^{1,9}
 Harvey Norman Loughran Plant & Equipment Pty Limited¹
 Harvey Norman Mortgage Service Pty Limited¹
 Harvey Norman Music Pty Limited¹
 Harvey Norman Net. Works Pty Limited
 Harvey Norman (N.S.W.) Pty Limited¹
 Harvey Norman Online.com Pty Limited¹
 Harvey Norman Ossia (Asia) Pte Limited^{1,10,16,17}
 Harvey Norman P.E.M. Pty Limited¹
 Harvey Norman Plant and Equipment Pty Limited¹
 Harvey Norman Properties (N.Z.) Limited^{1,8,9}
 Harvey Norman (QLD) Pty Limited⁵
 Harvey Norman Rental Pty Limited¹
 Harvey Norman Retailing Pty Limited
 Harvey Norman Rosney Franchisor Pty Limited
 Harvey Norman Rosney Leasing Pty Limited¹
 Harvey Norman Security Pty Limited¹
 Harvey Norman Shopfitting Pty Limited
 Harvey Norman Singapore Pte Limited^{1,10,15,16}
 Harvey Norman Stores Pty Limited
 Harvey Norman Stores (N.Z.) Pty Limited
 Harvey Norman Stores (W.A.) Pty Limited¹
 Harvey Norman Superlink Pty Limited¹
 Harvey Norman Tasmania Pty Limited¹
 Harvey Norman Technology Pty Limited
 Harvey Norman The Bedding Specialists Pty Limited¹
 Harvey Norman The Computer Specialists Pty Limited¹
 Harvey Norman The Electrical Specialists Pty Limited¹
 Harvey Norman The Furniture Specialists Pty Limited¹
 Harvey Norman Trading (Ireland) Limited^{1,20}
 Harvey Norman Trading d.o.o.^{1,11}
 Harvey Norman Ulverstone Franchisor Pty Limited
 Harvey Norman Ulverstone Leasing Pty Limited¹
 Harvey Norman Victoria Pty Limited
 Havrex Pty Limited⁵
 HN Byron No. 2 Pty Limited¹
 HN Byron No. 3 Pty Limited¹
 HNL Pty Limited¹
 Hodberg Pty Limited⁴

Name

Hodvale Pty Limited⁴
 Home Mart Furniture Pty Limited¹
 Home Mart Pty Limited¹
 Hoxco Pty Limited⁵
 Indolect Pty Limited^{1,7}
 Jartoso Pty Limited
 J.M. Alexandria Franchisor Pty Limited^{1,6}
 J.M. Alexandria Leasing Pty Limited^{1,6}
 J.M. Auburn Franchisor Pty Limited
 J.M. Campbelltown Franchisor Pty Limited
 J.M. Campbelltown Leasing Pty Limited¹
 J.M. Caringbah Franchisor Pty Limited
 J.M. Caringbah Leasing Pty Limited¹
 J.M. Contracting Services Pty Limited
 J.M. Leasing Pty Limited¹
 J.M. Marrickville Franchisor Pty Limited
 J.M. Marrickville Leasing Pty Limited¹
 J.M. McGraths Hill Franchisor Pty Limited^{1,6}
 J.M. McGraths Hill Leasing Pty Limited^{1,6}
 J.M. Newcastle Franchisor Pty Limited
 J.M. Plant & Equipment Hire Pty Limited¹
 J.M. Share Investment Pty Limited¹
 J.M. Townsville Franchisor Pty Limited^{1,6}
 J.M. Townsville Leasing Pty Limited^{1,6}
 J.M. West Gosford Franchisor Pty Limited
 J.M. West Gosford Leasing Pty Limited¹
 Jondarlo Pty Limited
 Joyce Mayne Home Cellars Pty Limited¹
 Joyce Mayne Kotara Leasing Pty Limited¹
 Joyce Mayne Liverpool Leasing Pty Limited¹
 Joyce Mayne Penrith Pty Limited¹
 Joyce Mayne Shopping Complex Pty Limited¹
 Kalinya Development Pty Limited¹
 Kambaldu Pty Limited
 Kawlect Pty Limited^{1,7}
 Kita Pty Limited
 Koodero Pty Limited
 Korinti Pty Limited
 Lamino Pty Limited
 Lectapp Pty Limited^{1,7}
 Lesandu Pty Limited
 Lesandu Adelaide City Pty Limited¹
 Lesandu Adelaide CK Pty Limited¹
 Lesandu Albany Pty Limited¹
 Lesandu Albury Pty Limited^{1,6}
 Lesandu Alexandria DM Pty Limited¹
 Lesandu Alexandria (JM) Pty Limited¹
 Lesandu Auburn Stone Pty Limited¹
 Lesandu Ayr Pty Limited¹
 Lesandu Bairnsdale Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

Lesandu Balgowlah Pty Limited¹
 Lesandu Bathurst Pty Limited¹
 Lesandu Bella Vista Pty Limited¹
 Lesandu Belmont Pty Limited¹
 Lesandu Belrose DM Pty Limited^{1,6}
 Lesandu Blacktown Pty Limited^{1,6}
 Lesandu Bondi Junction Pty Limited¹
 Lesandu Brisbane City Pty Limited¹
 Lesandu Broadbeach Pty Limited^{1,6}
 Lesandu Broadway Pty Limited¹
 Lesandu Browns Plains Pty Limited¹
 Lesandu Burleigh Heads Flooring Pty Limited¹
 Lesandu Busselton Pty Limited¹
 Lesandu Cannington Pty Limited¹
 Lesandu Carindale Pty Limited¹
 Lesandu Castle Hill Pty Limited¹
 Lesandu Cessnock (JM) Pty Limited^{1,6}
 Lesandu Charmhaven Pty Limited¹
 Lesandu Chatswood Express Pty Limited¹
 Lesandu Chatswood Pty Limited¹
 Lesandu Cheltenham Pty Limited¹
 Lesandu Chirnside Park Pty Limited¹
 Lesandu Cleveland Pty Limited¹
 Lesandu Cranbourne Pty Limited¹
 Lesandu Dalby Pty Limited¹
 Lesandu Deniliquin Pty Limited¹
 Lesandu Engadine Pty Limited¹
 Lesandu Erina Flooring Pty Limited¹
 Lesandu Forster Pty Limited^{1,6}
 Lesandu Fremantle Pty Limited¹
 Lesandu Fremantle No 2 Pty Limited^{1,6}
 Lesandu Fyshwick Pty Limited¹
 Lesandu Gaven Pty Limited¹
 Lesandu Gordon Pty Limited^{1,6}
 Lesandu Goulburn Pty Limited¹
 Lesandu Grafton Pty Limited¹
 Lesandu Greensborough Pty Limited^{1,6}
 Lesandu Griffith Pty Limited¹
 Lesandu Hamilton (VIC) Pty Limited¹
 Lesandu Hamilton Pty Limited¹
 Lesandu Hervey Bay Pty Limited¹
 Lesandu Horsham Pty Limited¹
 Lesandu Indooroopilly Pty Limited¹
 Lesandu Innisfail Pty Limited¹
 Lesandu Inverell Pty Limited^{1,6}
 Lesandu Joondalup Pty Limited¹
 Lesandu Kalgoorlie Pty Limited¹
 Lesandu Knox Towerpoint Pty Limited¹
 Lesandu Leichhardt M Pty Limited¹
 Lesandu Light Street DM Pty Limited¹

Name

Lesandu Lismore Pty Limited¹
 Lesandu Loganholme Pty Limited¹
 Lesandu Maddington Pty Limited¹
 Lesandu Mandurah Pty Limited¹
 Lesandu Marion Pty Limited¹
 Lesandu Maroochydore Flooring Pty Limited¹
 Lesandu McGraths Hill (JM) Pty Limited¹
 Lesandu Melbourne City DM Pty Limited¹
 Lesandu Mentone Pty Limited¹
 Lesandu Midland Pty Limited¹
 Lesandu Mile End Pty Limited¹
 Lesandu Moe Pty Limited¹
 Lesandu Moree Pty Limited¹
 Lesandu Morley Pty Limited¹
 Lesandu Mornington Pty Limited¹
 Lesandu Moss Vale Pty Limited¹
 Lesandu Mt Gravatt Pty Limited¹
 Lesandu Mt Isa Pty Limited¹
 Lesandu Munno Para Pty Limited¹
 Lesandu Muswellbrook Pty Limited¹
 Lesandu Noarlunga Pty Limited¹
 Lesandu Noosa Pty Limited¹
 Lesandu North Ryde DM Pty Limited^{1,6}
 Lesandu Nowra Pty Limited¹
 Lesandu Oakleigh CK Pty Limited¹
 Lesandu Orange Pty Limited¹
 Lesandu Osborne Park Pty Limited¹
 Lesandu Oxley Pty Limited^{1,6}
 Lesandu Penrith DM Pty Limited¹
 Lesandu Peppermint Grove Pty Limited¹
 Lesandu Perth City West Pty Limited¹
 Lesandu Richmond (VIC) Pty Limited¹
 Lesandu Riverwood Pty Limited¹
 Lesandu S.A. Pty Limited¹
 Lesandu Sale Pty Limited¹
 Lesandu Silverwater Pty Limited¹
 Lesandu Stanmore Pty Limited¹
 Lesandu Swan Hill Pty Limited¹
 Lesandu Sydenham Pty Limited¹
 Lesandu Sydney City SS Pty Limited¹
 Lesandu Tamworth Pty Limited¹
 Lesandu Taree Pty Limited^{1,6}
 Lesandu Taree Home Mart Pty Limited¹
 Lesandu Tasmania Pty Limited¹
 Lesandu Townsville Pty Limited¹
 Lesandu Tweed Heads Pty Limited¹
 Lesandu Tweed Heads Flooring Pty Limited¹
 Lesandu Underwood Pty Limited¹
 Lesandu W.A. Pty Limited¹
 Lesandu W.A. Furniture Pty Limited¹

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name	Name
Lesandu Wagga Wagga Pty Limited ¹	P & E Armidale Pty Limited ^{1,7}
Lesandu Wangaratta Pty Limited ¹	P & E Aspley Pty Limited ^{1,7}
Lesandu Warragul Pty Limited ¹	P & E Auburn Pty Limited ^{1,7}
Lesandu Warrawong Pty Limited ^{1,6}	P & E Ayr Pty Limited ^{1,7}
Lesandu Warwick (WA) Pty Limited ¹	P & E Bairnsdale Pty Limited ^{1,7}
Lesandu Warwick Pty Limited ¹	P & E Balgowlah Pty Limited ^{1,7}
Lesandu Waurin Ponds Pty Limited ¹	P & E Ballarat Pty Limited ^{1,7}
Lesandu West Gosford DM Pty Limited ¹	P & E Bathurst Pty Limited ^{1,7}
Lesandu Wonthaggi Pty Limited ¹	P & E Belmont Pty Limited ¹
Lexeri Pty Limited	P & E Bendigo Pty Limited ^{1,7}
Lightcorp Pty Limited ¹	P & E Blacktown Pty Limited ^{1,7}
Lighting Venture Pty Limited	P & E Bondi Junction Pty Limited ^{1,7}
Lodare Pty Limited	P & E Broadmeadow Pty Limited ¹
Loreste Pty Limited	P & E Broadway on The Mall Pty Limited ^{1,7}
Lunorcom Pty Limited ^{1,7}	P & E Broadway Pty Limited ^{1,7}
Mallap Pty Limited ^{1,7}	P & E Browns Plains Pty Limited ^{1,7}
Mallcom Pty Limited ^{1,6,7}	P & E Bunbury Pty Limited ¹
Malvis Pty Limited	P & E Bundaberg Pty Limited ^{1,7}
Manutu Pty Limited	P & E Bundall Pty Limited ^{1,7}
Maradoni Pty Limited	P & E Burleigh Heads Pty Limited ^{1,7}
Marfloor Pty Limited ^{1,7}	P & E Busselton Pty Limited ¹
Maribed Pty Limited ^{1,6}	P & E Cairns Pty Limited ^{1,7}
Marinski Pty Limited	P & E Campbelltown Pty Limited ^{1,7}
Marncom Pty Limited ^{1,7}	P & E Cannington Pty Limited ¹
Mega Flooring Depot Pty Limited ¹	P & E Carindale Pty Limited ^{1,7}
Misstar Pty Limited ^{1,2}	P & E Caringbah Pty Limited ^{1,7}
Mountel Pty Limited ^{1,6,7}	P & E Castle Hill Pty Limited ^{1,6}
Munnofurn Pty Limited ^{1,7}	P & E Chatswood Pty Limited ^{1,7}
Murray Street Development Pty Limited ¹	P & E Chirnside Park Pty Limited ^{1,7}
Murraybed Pty Limited ^{1,7}	P & E City Cross Pty Limited ^{1,7}
Nedcroft Pty Limited	P & E City West Pty Limited ¹
Network Consumer Finance Pty Limited	P & E Coffs Harbour Pty Limited ^{1,7}
Network Consumer Finance (Ireland) Limited ^{1,20}	P & E Cranbourne Pty Limited ^{1,7}
Network Consumer Finance (N.Z.) Limited ^{1,8,9}	P & E Crows Nest Pty Limited ¹
Noarfurn Pty Limited ^{1,7}	P & E Dalby Pty Limited ^{1,7}
Noarlect Pty Limited ^{1,7}	P & E Dandenong Pty Limited ^{1,7}
Nomadale Pty Limited ⁵	P & E Darwin Pty Limited ^{1,7}
Norman Ross Pty Limited	P & E Deniliquin Pty Limited ^{1,7}
Oldmist Pty Limited	P & E Dili Pty Limited ¹
Omdale Pty Limited ¹	P & E Dubbo Pty Limited ^{1,7}
Osbeds Pty Limited ^{1,7}	P & E Enfield Pty Limited ^{1,7}
Oslek Developments Pty Limited ¹	P & E Everton Park Pty Limited ^{1,7}
Osraidi Pty Limited	P & E Fortitude Valley Pty Limited ^{1,7}
Otharna Pty Limited ^{1,7}	P & E Fremantle Pty Limited ¹
Oxapel Pty Limited ^{1,7}	P & E Geelong Pty Limited ^{1,7}
Pertama Holdings Limited ^{1,10,16,17}	P & E Geraldton Pty Limited ¹
P & E Adelaide CK Pty Limited ^{1,7}	P & E Gladstone Pty Limited ^{1,7}
P & E Albany Pty Limited ¹	P & E Gordon Pty Limited ^{1,7}
P & E Albury Pty Limited ^{1,7}	P & E Gosford Pty Limited ^{1,7}
P & E Armadale WA Pty Limited ¹	P & E Grafton Pty Limited ^{1,7}

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

P & E Greensborough Plaza Pty Limited^{1,7}
 P & E Griffith Pty Limited^{1,7}
 P & E Hamilton Pty Limited^{1,7}
 P & E Hervey Bay Pty Limited^{1,7}
 P & E Homewest Pty Limited¹
 P & E Hoppers Crossing Pty Limited^{1,7}
 P & E Horsham Pty Limited^{1,7}
 P & E Indooroopilly Pty Limited^{1,7}
 P & E Innisfail Pty Limited^{1,7}
 P & E Inverell Pty Limited^{1,7}
 P & E Joondalup Pty Limited¹
 P & E Kalgoorlie Pty Limited¹
 P & E Karratha Pty Limited¹
 P & E Kawana Waters Pty Limited^{1,7}
 P & E Knox Towerpoint Pty Limited^{1,7}
 P & E Leichhardt Pty Limited¹
 P & E Lismore Pty Limited^{1,7}
 P & E Liverpool Pty Limited^{1,7}
 P & E Loganholme Pty Limited^{1,7}
 P & E Mackay Pty Limited^{1,7}
 P & E Maclean Pty Limited^{1,7}
 P & E Maddington Pty Limited¹
 P & E Maitland Pty Limited^{1,7}
 P & E Mandurah Pty Limited¹
 P & E Maribyrnong Pty Limited^{1,7}
 P & E Marion Pty Limited^{1,7}
 P & E Maroochydore Pty Limited^{1,7}
 P & E Marrickville Pty Limited^{1,7}
 P & E Martin Place Sydney Pty Limited^{1,7}
 P & E Midland Pty Limited¹
 P & E Mildura Pty Limited^{1,7}
 P & E Moe Pty Limited^{1,7}
 P & E Moorabbin Pty Limited^{1,7}
 P & E Moore Park Pty Limited^{1,7}
 P & E Morayfield Pty Limited^{1,7}
 P & E Moree Pty Limited^{1,7}
 P & E Morley Pty Limited¹
 P & E Moss Vale Pty Limited^{1,7}
 P & E Mt Gambier Pty Limited^{1,7}
 P & E Mt Gravatt Pty Limited^{1,7}
 P & E Mt Isa Pty Limited^{1,7}
 P & E Mudgee Pty Limited^{1,7}
 P & E Munno Para Pty Limited^{1,7}
 P & E Newcastle Pty Limited^{1,7}
 P & E Noarlunga Pty Limited^{1,7}
 P & E Noosa Pty Limited^{1,7}
 P & E Norwest Pty Limited^{1,6,7}
 P & E Nowra Pty Limited^{1,7}
 P & E Nunawading Pty Limited^{1,7}
 P & E O'Connor Pty Limited¹

Name

P & E Oakleigh CK Pty Limited^{1,7}
 P & E Orange Pty Limited^{1,7}
 P & E Osborne Park Pty Limited¹
 P & E Oxley Pty Limited^{1,7}
 P & E Parkes Pty Limited^{1,7}
 P & E Penrith Pty Limited^{1,7}
 P & E Peppermint Grove Pty Limited¹
 P & E Port Hedland Pty Limited¹
 P & E Port Kennedy Pty Limited¹
 P & E Port Macquarie Pty Limited^{1,7}
 P & E Preston Pty Limited^{1,7}
 P & E Riverwood Pty Limited^{1,7}
 P & E Rockhampton Pty Limited^{1,7}
 P & E Sale Pty Limited^{1,7}
 P & E Shepparton Pty Limited^{1,7}
 P & E Shopfitters Pty Limited¹
 P & E Southland Pty Limited^{1,7}
 P & E Swan Hill Pty Limited^{1,7}
 P & E Tamworth Pty Limited^{1,7}
 P & E Taree Pty Limited^{1,7}
 P & E Toowoomba (B) Pty Limited^{1,7}
 P & E Toowoomba Pty Limited^{1,7}
 P & E Townsville Pty Limited^{1,7}
 P & E Traralgon Pty Limited^{1,7}
 P & E Tweed Heads Pty Limited^{1,7}
 P & E Wagga Pty Limited^{1,7}
 P & E Wangaratta Pty Limited^{1,7}
 P & E Warragul Pty Limited^{1,7}
 P & E Warrawong Pty Limited^{1,7}
 P & E Warrnambool Pty Limited^{1,7}
 P & E Warwick (Old) Pty Limited^{1,7}
 P & E Warwick (WA) Pty Limited¹
 P & E Watergardens Pty Limited^{1,7}
 P & E Waurin Ponds Pty Limited^{1,7}
 P & E Whyalla Pty Limited^{1,7}
 P & E Wiley Park Pty Limited^{1,7}
 P & E Wonthaggi Pty Limited^{1,7}
 P & E Young Pty Limited^{1,7}
 P & M Alexandria Pty Limited^{1,7}
 P & M McGraths Hill Pty Limited^{1,6,7}
 Parkborne Pty Limited¹
 PEM Alexandria Pty Limited^{1,6,7}
 PEM Auburn Pty Limited^{1,7}
 PEM Bundall Pty Limited^{1,7}
 PEM Campbelltown Pty Limited^{1,7}
 PEM Caringbah Pty Limited^{1,7}
 PEM Corporate Pty Limited¹
 PEM Gosford Pty Limited^{1,7}
 PEM Kotara Pty Limited^{1,7}
 PEM Liverpool Pty Limited^{1,7}

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Name

PEM Penrith Pty Limited^{1,7}
 PEM QVH Pty Limited^{1,7}
 PEM Warrawong Pty Limited^{1,7}
 Plezero Pty Limited
 Poliform Pty Limited^{1,6,27}
 R. Reynolds Nominees Pty Limited¹
 Recline A Way Franchisor Pty Limited¹
 Rosieway Pty Limited
 Sarsha Pty Limited
 Setto Pty Limited
 Shakespir Pty Limited¹
 Signature Computers Pty Limited¹
 Solaro Pty Limited
 Space Furniture Limited^{1,12,14}
 Space Furniture Pte Limited^{1,10,16}
 Space Furniture Pty Limited^{1,2,18}
 Stonetess Pty Limited
 Stores Securitisation Pty Limited
 Stores Securitisation (NZ) Limited
 Strathloro Pty Limited
 Stupendous Pty Limited²¹
 Superguard Pty Limited¹
 Swaneto Pty Limited
 Swanpark Pty Limited⁵
 Tatroko Pty Limited
 Tessera Stones & Tiles Pty Limited¹³
 The Byron At Byron Pty Limited¹
 Tisira Pty Limited
 Townfurn Pty Limited^{1,7}
 Valhome Pty Limited^{1,6,7}
 Vallbed Pty Limited^{1,6,7}
 Vallfurn Pty Limited^{1,6,7}
 Ventama Pty Limited³
 Wadins Pty Limited
 Wanalti Pty Limited
 Waggafurn Pty Limited¹
 Warfurn Pty Limited^{1,7}
 Warian Pty Limited^{1,7}
 Warrafloor Pty Limited^{1,7}
 Warrare Pty Limited^{1,7}
 Warungi Pty Limited
 Waytango Pty Limited
 Webzone Pty Limited¹
 Whitgo Pty Limited^{1,7}
 Wytharra Pty Limited
 Yoogalu Pty Limited
 Zabella Pty Limited
 Zavarte Pty Limited
 Zirdano Pty Limited
 Zirdanu Pty Limited

40. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Notes

1. Company is not part of the class order described in Note 41.
2. Harvey Norman Holdings Limited owns 99.9% of shares in Misstar Pty Limited and 50% of Bossee Pty Limited, and 99% 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 9.67% of the shares in Pertama Holdings Limited.
17. Harvey Norman Ossia (Asia) Pte Limited holds 50.21% of the shares in Pertama Holdings Limited.

Notes

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 2005 Becto Pty Limited held 54.97% 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.
24. Yoogalu Pty Ltd holds 50.5% of the shares in Australian Business Skills Centre Pty Limited.
25. HN Byron No 3 Pty Limited holds 50% of the shares in Byron Bay Facilities Pty Limited.
26. Yoogalu Pty Ltd holds 50% of the shares in Byron Bay Management Pty Limited.
27. Kita Pty Ltd holds 99% of the shares in Poliform Pty Ltd

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
 Anwarah No. 2 Trust
 Appcann No. 2 Trust
 Applect No. 2 Trust****
 Apptoo No. 2 Trust****
 Apptoo Air No. 2 Trust****
 Armcom WA No. 2 Trust****
 Aspley Electrics No. 2 Trust
 Aspley Furniture No. 2 Trust****
 Aspleycom No. 2 Trust****
 Aspleyburn No. 2 Trust****
 Aspleyburn Old No. 2 Trust****
 Aubdirect No. 2 Trust
 Auburnapp No. 2 Trust
 Auburncom No. 2 Trust
 Australian Business Skills Centre Trust***
 Ayrcom No. 2 Trust
 Bathard No. 2 Trust
 Becto Trust
 Bedden No. 2 Trust****
 Beddington No. 2 Trust
 Belmcom No. 2 Trust
 Belmonsters No. 2 Trust****
 Bena No. 2 Trust
 Berlect No. 2 Trust****
 Bernel No. 2 Trust****
 Bernlect No. 2 Trust****
 Big Apple Trust
 Bradiz No. 2 Trust
 Brownsell No. 2 Trust
 Bunburybed No. 2 Trust
 Bunburyburn No. 2 Trust
 Bundafurn No. 2 Trust****
 Bundall Computers No. 2 Trust****
 Bundallbed No. 2 Trust****
 Bundallcom No. 2 Trust****
 Bundallcom (Old) No. 2 Trust****
 Bundcomm No. 2 Trust****
 Busselton WA No. 2 Trust****
 Cairnfurn No. 2 Trust****
 Cairnsel No. 2 Trust
 Calardu ACT Trust
 Calardu Adderley Street Trust
 Calardu Albany Trust**
 Calardu Albury Trust**
 Calardu Alexandria DM Trust
 Calardu Alice Springs Trust

Name

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 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 Burnie 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 Cubitt Trust**
 Calardu Darwin Trust
 Calardu Denuo Berri Trust
 Calardu Dubbo Trust
 Calardu Frankston Trust
 Calardu Fyshwick DM Trust
 Calardu Gordon Trust
 Calardu Guildford Trust
 Calardu Hervey Bay Trust
 Calardu Hobart Trust
 Calardu Hoppers Crossing Trust

40. Controlled Entities and Unit Trusts (continued)

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

Name

Calardu Horsham Trust
 Calardu Joondalup Trust
 Calardu Kalgoorlie Trust
 Calardu Kalgoorlie Oswald St Trust
 Calardu Karana Downs Trust
 Calardu Karratha Trust
 Calardu Kawana Waters Trust**
 Calardu Kemblawarra Trust
 Calardu Launceston Trust
 Calardu Loganholme Trust
 Calardu Mackay Trust
 Calardu Maitland Trust
 Calardu Malaga Trust**
 Calardu Mandurah Trust
 Calardu Maribyrnong Trust
 Calardu Maribyrnong 1995 Trust
 Calardu Marion Trust
 Calardu Maryborough Trust
 Calardu Melville Trust
 Calardu Mentone Trust
 Calardu Midland Trust
 Calardu Milton Trust
 Calardu Morayfield Trust
 Calardu Moss Vale Trust
 Calardu Mt Isa Trust
 Calardu Mt. Gambier Trust
 Calardu Mudgee Trust
 Calardu Munno Para Trust
 Calardu Noarlunga Trust
 Calardu Noosa Trust
 Calardu North Ryde Trust
 Calardu North Ryde 2 Trust**
 Calardu Northbridge Trust
 Calardu Nowra Trust
 Calardu No. 1 Trust
 Calardu No. 2 Trust
 Calardu No. 3 Trust
 Calardu Oxley Trust
 Calardu Penrith Trust
 Calardu Perth City West Trust
 Calardu Port Macquarie Trust
 Calardu Preston Trust
 Calardu Raine Square Trust**
 Calardu Richmond Trust
 Calardu Rockingham Trust
 Calardu Rockhampton Trust
 Calardu Rockhampton 2 Trust**
 Calardu Rosebery Trust
 Calardu Roselands Trust
 Calardu Rutherford Trust**

Name

Calardu Sale Trust
 Calardu Silverwater Trust
 Calardu Springvale Trust
 Calardu Swan Hill Trust
 Calardu Sylvania Trust
 Calardu Taree Trust
 Calardu Thebarton Trust
 Calardu Thomastown Trust**
 Calardu Toorak Trust**
 Calardu Toowoomba Trust
 Calardu Townsville Trust
 Calardu Tweed Heads Trust
 Calardu Tweed Heads Traders Way Trust
 Calardu Vicfurn Trust
 Calardu Warrawong Trust
 Calardu Warrawong (Homestarters) Trust
 Calardu Warrawong No. 1 Trust
 Calardu Warrnambool Trust
 Calardu Warwick Trust
 Calardu West Gosford Trust
 Calardu Whyalla Trust
 Calardu Wivenhoe Trust
 Cannapp No. 2 Trust****
 Cannfurn WA No. 2 Trust****
 Cannkin No. 2 Trust****
 Canntapp No. 2 Trust****
 Carfurn No. 2 Trust****
 Cardfurn No. 2 Trust****
 Carinel No. 2 Trust
 Caringel No. 2 Trust****
 CBG Trust
 Charmela No. 2 Trust
 Cherrion No. 2 Trust****
 Cityel No. 2 Trust****
 Cityslik No. 2 Trust****
 Comalla No. 2 Trust****
 Comben Nominees No. 2 Trust
 Comborne No. 2 Trust
 Comjoon No. 2 Trust****
 Comkalg No. 2 Trust****
 Comken No. 2 Trust****
 Commack No. 2 Trust****
 Commount No. 2 Trust****
 Compark No. 2 Trust****
 Compcall No. 2 Trust****
 Comtown No. 2 Trust****
 Concomp No. 2 Trust****
 Conlect No. 2 Trust****
 Connapp No. 2 Trust****
 Connorfurn No. 2 Trust****

40. Controlled Entities and Unit Trusts (continued)

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

Name

Cosgrove Shopfitting Services No. 2 Trust
 Craigcom No. 2 Trust****
 Dalel No. 2 Trust****
 Dallet No. 2 Trust
 Darfurn No. 2 Trust****
 Darwel No. 2 Trust
 Darwincom No. 2 Trust****
 Elbunda No. 2 Trust****
 Electall No. 2 Trust
 Electbern No. 2 Trust****
 Electen No. 2 Trust
 Electoo No. 2 Trust
 Electos No. 2 Trust****
 Electown No. 2 Trust****
 Electpark No. 2 Trust****
 Electwarr No. 2 Trust****
 Electway No. 2 Trust****
 Electwind No. 2 Trust
 Elgrav No. 2 Trust****
 Emohy No. 2 Trust****
 Enbed No. 2 Trust
 Enfiel No. 2 Trust**
 Enfurn No. 2 Trust****
 Enlect No. 2 Trust****
 Evbed No. 2 Trust****
 Everbed No. 2 Trust**
 Everlect No. 2 Trust****
 Evfurn No. 2 Trust****
 Evtel No. 2 Trust****
 Fieldcom No. 2 Trust****
 Fieldel No. 2 Trust****
 Furnbund No. 2 Trust**
 Furnbury No. 2 Trust
 Furncairn No. 2 Trust****
 Furnen No. 2 Trust**
 Furngrav No. 2 Trust**
 Furnkal No. 2 Trust****
 Furnland No. 2 Trust****
 Furnpro No. 2 Trust****
 Furntown No. 2 Trust****
 Galdcom No. 2 Trust****
 Gambfurn No. 2 Trust****
 Gambiel No. 2 Trust**
 Geracom No. 2 Trust****
 Geraldcom No. 2 Trust
 Gerel No. 2 Trust****
 Gladstone FEC No. 2 Trust****
 Gladstores No. 2 Trust
 Gladstores Old No. 2 Trust
 Gravfurn No. 2 Trust****

Name

H.N. Cards Trust**
 Hamptonfurn No. 2 Trust****
 Haproc No. 2 Trust**
 Harvey Norman Burnie Franchisor Unit Trust
 Harvey Norman Devonport Franchisor Unit Trust
 Harvey Norman Discounts No. 1 Trust
 Harvey Norman Glenorchy Franchisor Unit Trust
 Harvey Norman Hobart Franchisor Unit Trust
 Harvey Norman Launceston Franchisor Unit Trust
 Harvey Norman Lighting Asset Trust
 Harvey Norman Lighting No. 1 Trust
 Harvey Norman Liquor Unit Trust
 Harvey Norman Rosney Franchisor Unit Trust
 Harvey Norman Shopfitting Trust
 Harvey Norman Tasmania Agent Unit Trust
 Harvey Norman Ulverstone Franchisor Unit Trust
 Harvey Norman No. 1 Trust
 Havnet No. 2 Trust
 Hobart City Computers No. 2 Trust****
 Igniz No. 2 Trust****
 Indolect No. 2 Trust
 Indorel No. 2 Trust****
 Inniscom No. 2 Trust
 Jinfurn No. 2 Trust****
 Joonapp No. 2 Trust
 Joonbed No. 2 Trust****
 Jooncom No. 2 Trust****
 Joondalup Warehousing Services Trust
 Joondalup Administrative Services Trust
 Joondapp No. 2 Trust****
 Joonfurn No. 2 Trust****
 Kaboola No. 2 Trust
 Kalel No. 2 Trust****
 Kalinya Unit Trust
 Kalfurn No. 2 Trust****
 Kawel No. 2 Trust****
 Kawfurn No. 2 Trust
 Kawlect No. 2 Trust
 Kenbed No. 2 Trust****
 Lamino Investments No. 1 Trust
 Lamino Investments No. 2 Trust
 Lamino Investments No. 3 Trust
 Lamino Investments No. 4 Trust
 Lamino Investments No. 5 Trust
 Lamino Investments No. 6 Trust
 Lectapp No. 2 Trust
 Lesandu Albury Trust
 Lesandu Campbelltown Trust
 Lesandu Fairfield Trust
 Lesandu Gordon Trust

40. Controlled Entities and Unit Trusts (continued)

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

Name

Lesandu Gosford Trust
 Lesandu Miranda Trust
 Lesandu Newcastle Trust
 Lesandu No. 1 Trust
 Lesandu Penrith Trust
 Lesandu Tamworth Trust
 Lesandu Warrawong Trust
 Lesandu Warringah Mall Trust
 Liscom No. 2 Trust****
 Lunacom No. 2 Trust****
 Lunorcom No. 2 Trust****
 Mackayfurn No. 2 Trust****
 Macklect No. 2 Trust****
 Mallap No. 2 Trust****
 Mallcom No. 2 Trust**
 Mallett No. 2 Trust****
 Mallel No. 2 Trust****
 Mandurel No. 2 Trust****
 Mantcom No. 2 Trust****
 Marcomp No. 2 Trust****
 Marfloor No. 2 Trust****
 Maribed No. 2 Trust**
 Marioncom No. 2 Trust
 Marncom No. 2 Trust
 Marnfurn No. 2 Trust
 Marionfurn No. 2 Trust
 Micom No. 2 Trust
 Midstore No. 2 Trust****
 Moralect No. 2 Trust****
 Moraybed No. 2 Trust****
 Morayfurn No. 2 Trust****
 Morlel No. 2 Trust****
 Morris No. 2 Trust****
 Mountel No. 2 Trust**
 Munnobed No. 2 Trust****
 Munnocom No. 2 Trust****
 Munnofurn No. 2 Trust****
 Murray Street Development Trust
 Murraybed No. 2 Trust****
 Noarcom No. 2 Trust****
 Noarfurn No. 2 Trust****
 Noarlect No. 2 Trust
 Noosafurn No. 2 Trust****
 Norrap No. 2 Trust****
 Noxfurn No. 2 Trust****
 Omdale No. 2 Trust****
 Osbcomm No. 2 Trust
 Osbeds No. 2 Trust****
 Osbornel No. 2 Trust**
 Oslect No. 2 Trust
 Oslek Developments Trust
 Otharna No. 2 Trust****

Name

Oxapel No. 2 Trust****
 Oxcom No. 2 Trust****
 Oxleyel No. 2 Trust****
 Parkborne No. 2 Trust
 Parkcom No. 2 Trust****
 Parkel No. 2 Trust
 Parklect No. 2 Trust****
 Plainscom No. 2 Trust****
 Plainsel No. 2 Trust****
 Prestbed No. 2 Trust
 Rockcom No. 2 Trust****
 Rustona No. 2 Trust****
 Salel No. 2 Trust****
 Spirarzo No. 2 Trust
 Swanel No. 2 Trust****
 Sydney No. 1 Trust
 Toocom No. 2 Trust****
 Toowel No. 2 Trust
 Townfurn No. 2 Trust
 Townel No. 2 Trust****
 The Calardu Trust
 Tralgfurn No. 2 Trust
 Valhome No. 2 Trust**
 Vallbed No. 2 Trust**
 Vallfurn No. 2 Trust**
 Wacom No. 2 Trust
 Warel No. 2 Trust****
 Warfurn No. 2 Trust
 Warian No. 2 Trust
 Warrafloor No. 2 Trust
 Warrare No. 2 Trust****
 Warwickcom No. 2 Trust****
 Warwickel No. 2 Trust****
 Westerncom No. 2 Trust
 Westfurn No. 2 Trust
 Whitgo No. 2 Trust****
 Wickcom No. 2 Trust****
 Wincomp No. 2 Trust****
 Winfurn No. 2 Trust****
 Yallect No. 2 Trust****
 Yoogalu Albury Trust
 Yoogalu Campbelltown Trust
 Yoogalu Fairfield Trust
 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****

40. Controlled Entities and Unit Trusts (continued)

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

Notes

- * 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.
- **** These trusts were vested during the year.

41. Deed of Cross Guarantee

Certain controlled entities (refer Note 40) have entered into a deed of cross guarantee dated 1 June 2004 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. 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 2005

	CONSOLIDATED	
	2005 \$000	2004 \$000
Current Assets		
Cash assets	88,946	43,608
Receivables	794,288	707,107
Other financial assets	35,360	2,459
Inventories	102,795	92,165
Other	6,848	4,769
Total current assets	1,028,237	850,108
Non-Current Assets		
Receivables	19,312	16,282
Investments accounted for using equity method	88,548	53,657
Other financial assets	117,491	105,570
Inventories	31,475	26,584
Property, plant and equipment	1,161,920	1,062,300
Deferred tax assets	4,787	5,484
Other	544	757
Total non-current assets	1,424,077	1,270,634
Total Assets	2,452,314	2,120,742
Current Liabilities		
Payables	507,521	466,640
Interest-bearing liabilities	46,622	-
Tax liabilities	8,457	20,051
Provisions	6,050	5,827
Other	2,282	1,576
Total current liabilities	570,932	494,094
Non-Current Liabilities		
Interest-bearing liabilities	600,465	467,266
Provisions	1,906	6,135
Other	4,435	2,786
Total non-current liabilities	606,806	476,187
Total Liabilities	1,177,738	970,281
NET ASSETS	1,274,576	1,150,461
Equity		
Contributed equity	246,591	246,591
Reserves	278,430	248,729
Retained profits	749,555	655,141
TOTAL EQUITY	1,274,576	1,150,461

41. Deed of Cross Guarantee (continued)

(b) Harvey Norman Holdings Limited Closed Group
Statement of Financial Performance for year ended 30 June 2005

	CONSOLIDATED	
	2005 \$000	2004 \$000
Sales revenue	533,242	422,460
Cost of sales	(408,546)	(323,888)
Gross profit	124,696	98,572
Other revenues	683,444	625,363
Distribution expenses	(2,951)	(1,331)
Marketing expenses	(197,582)	(172,925)
Occupancy expenses	(74,777)	(66,727)
Administrative expenses	(198,326)	(175,236)
Borrowing costs	(36,944)	(27,150)
Other expenses	(59,194)	(47,490)
Share of net profit of associates, joint venture entities and partnerships accounted for using the equity method	3,768	3,402
Profit from ordinary activities before income tax expense	242,134	236,478
Income tax expense relating to ordinary activities	(72,267)	(72,049)
Net profit	169,867	164,429
Net profit attributable to Outside equity interests	-	-
Net profit attributable to Members of the parent entity	169,867	164,429

(c) Harvey Norman Holdings Limited Closed Group
Retained Profits

Retained profits at the beginning of the financial year	655,141	541,362
Profit from ordinary activities after income tax expense	169,867	164,429
Dividends paid	(75,453)	(50,650)
Retained profits at the end of the financial year	749,555	655,141

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 2005 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) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2005.
- (3) 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 2005

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 2005. 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 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 the consolidated entity and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditors' Independence Declaration, a copy of which is included in the Directors' Report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes 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 2005 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
26 September 2005

Distribution of Shareholdings as at 26 September 2005

Size of Holding	Ordinary Shareholders
1 – 1,000	5,501
1,001 – 5,000	8,384
5,001 – 10,000	1,844
10,001 – 100,000	1,584
100,001 and over	191
	<hr/> 17,504
Number of Shareholders	
With less than a marketable parcel	<hr/> 490

Voting Rights

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

Twenty Largest Shareholders as at 26 September 2005

Number of Ordinary Shares	Shareholder	Percentage of Ordinary Shares
311,352,866	Mr Gerald Harvey & G Harvey Nominees Pty Limited	29.4%
175,249,660	Dimbulu Pty Limited	16.6%
128,519,425	Citicorp Nominees Pty Limited	12.2%
61,701,041	National Nominees Limited	5.8%
49,990,575	Ms Margaret Lynette Harvey	4.7%
40,142,275	JP Morgan Nominees Australia Limited	3.8%
38,186,239	Westpac Custodian Nominees Limited	3.6%
24,195,601	ANZ Nominees Limited	2.3%
19,847,257	Ms Kay Lesley Page	1.9%
18,118,200	Enbearn Pty Limited	1.7%
17,779,444	RBC Global Services Australia Nominees Pty Limited	1.7%
14,743,031	USB Nominees Pty Ltd	1.4%
13,458,791	Cogent Nominees Pty Ltd	1.3%
8,974,067	Queensland Investment Corporation	0.8%
5,857,341	AMP Life Limited	0.6%
3,950,000	Argo Investments Limited	0.4%
3,445,553	Mr Michael Harvey	0.3%
2,245,426	IAG Nominees Pty Limited	0.2%
1,844,852	Health Super Pty Limited	0.2%
1,805,078	Peapes Pty Limited	0.2%
<hr/> 941,406,722		<hr/> 89.0%

Total held by twenty largest shareholders as a percentage 89.0% as at 26 September 2005.

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

BONDI

Shop 5016, Westfield Shopping Centre
500 Oxford Street
Bondi Junction 2022
Phone (02) 8305 8800

BROADWAY

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

CAMPBELLTOWN

22A Blaxland Road
Campbelltown 2560
Phone (02) 4621 5200

CARINGBAH

41 – 49 Willarong 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

CHATSWOOD EXPRESS

380 Victoria Avenue
Chatswood 2067
Phone (02) 8440 5013

GORDON

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

LIVERPOOL

Liverpool Mega Centre
2/18 Orangegroove Road
Liverpool 2170
Phone (02) 9600 3333

MARRICKVILLE

Shop 5, Marrickville Metro Shopping Centre
Victoria Road
Marrickville 2204
Phone (02) 9557 7344

MARTIN PLACE

19-29 Martin Place
MLC Centre
Sydney CBD 2000
Phone (02) 8236 6600

MOORE PARK

Level 2, North SupaCenta
Cnr South Dowling Street
& Dacey Avenue
Moore Park 2021
Phone (02) 9662 9888

NORWEST

Unit 20
Homemaker Collection
4 - 6 Celebration Drive
Bella Vista 2153
Phone (02) 8884 8800

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
Punchbowl 2196
Phone (02) 9740 1153

DUBBO

195 Cobra Street
Dubbo 2830
Phone (02) 6826 5000

FORSTER

29 Breese Parade
Forster 2428
Phone (02) 6554 5700

FRISCO HOME FURNISHERS (NEWCASTLE)

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

GOSFORD (ERINA)

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

GOULBURN

180-186 Auburn Street
Goulburn 2580
Phone (02) 4824 3000

NEW SOUTH WALES COUNTRY**ALBURY**

430 Wilson Street
Albury 2640
Phone (02) 6041 1944

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

DENILIQUN

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

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

103 Balo Street
Moree 2400
Phone (02) 6752 7531

MOSS VALE

137-157 Lackey Road
Moss Vale 2577
Phone: (02) 4868 1039

MUDGEES

33 Castlereagh Highway
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) 6393 2222

PARKES

Shop 1, Saleyards 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

TAREE

9 Mill Close
Taree 2430
Phone (02) 6551 3699

TWEED HEADS

29-41 Greenway Drive
South 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)

113 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

BERNOLTHS - TOOWOOMBA

675 Ruthven Street
Toowoomba 4350
Phone (07) 4632 9444

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) 3398 0600

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
318 Moggill Road
Indooroopilly 4068
Phone: (07) 3327 1300

LOGANHOLME

3890 - 3892 Pacific Highway
Loganholme 4129
Phone: (07) 3440 9200

MAROOCHYDORE (Mega Flooring)

Unit 6
Sunshine Homemaker Centre
Maroochydore 4558
Phone: (07) 5479 3711

MORAYFIELD

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

MT GRAVATT

2049 Logan Road
Upper Mt Gravatt 4122
Phone: (07) 3347 7000

OXLEY

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

BUNDABERG

125 Takalvan Street
Bundaberg 4670
Phone (07) 4151 1570

BUNDALL (GOLD COAST)

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

BURLEIGH HEADS (Mega Flooring)

Unit 2, 50 Kortum Drive
West Burleigh 4219
Phone (07) 5568 6000

CAIRNS

101 Spence Street
Portsmith 4870
Phone (07) 4051 8499

DALBY

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

GLADSTONE

60 Hanson Road
Gladstone 4680
Phone (07) 4972 9900

HERVEY BAY

134 - 136 Boat Harbour Drive
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) 5457 6800

MACKAY

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

QUEENSLAND COUNTRY

AYR

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

MT ISA

33 – 35 Miles Street
Mt Isa 4825
Phone (07) 4743 5220

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

103-142 Duckworth Street
Garbutt 4814
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 2134

DEVONPORT

Cnr Best Street & Fenton Way
Devonport 7310
Phone: (03) 6424 5155

GLENORCHY

313 Main Road
Glenorchy 7010
Phone: (03) 6277 7700

HOBART CITY

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

LAUNCESTON

Cnr William and Charles Streets
Launceston 7250
Phone: (03) 6337 9411

ROSNY

33 Bligh Street
Rosny 7018
Phone: (03) 6210 4400

ULVERSTONE

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

VICTORIA

MELBOURNE SUBURBAN

CHIRNSIDE PARK

286 Maroondah Highway
Mooroolbark 3138
Phone (03) 9722 4400

CRANBOURNE

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

DANDENONG

141-165 Frankston-Dandenong Road
Dandenong 3175
Phone: (03) 9706 9992

GREENSBOROUGH

(Electrical & Computers only)
Shop 227, 25 Main Street
Greensborough 3088
Phone: (03) 9433 5555

HOPPERS CROSSING

Unit 1, 201-219 Old Geelong Road
Hoppers Crossing 3029
Phone: (03) 8734 0000

KNOX

Shop 3105, Knox Shopping Centre
425 Burwood Highway
Wantirna South 3152
Phone: (03) 9881 3700

MARIBYRNONG (Highpoint)

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

MELBOURNE QV

Cnr Swanston & Lonsdale Streets
Level 4
9 - 13 Upper Terrace QV
Melbourne 3000
Phone: (03) 8664 4300

MOORABBIN

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

NUNAWADING

400 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 3192
Phone: (03) 9585 6500

VICTORIA RENOVATIONS

1430 Dandenong Road
OAKLEIGH 3166
Phone: (03) 9540 5555

WATERGARDENS

450 Melton Highway
Taylors Lakes 3038
Phone: (03) 9449 6300

GEELONG

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

HAMILTON

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

HORSHAM

148 Firebrace Street
Horsham 3400
Phone: (03) 5381 5000

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

68 Nyah Road
Swan Hill 3585
Phone: (03) 5032 2901

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

TRARALGON

Cnr Princes Highway & Liddiard Road
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

WAURN PONDS

33 Princes Highway
Waurm Ponds 3216
Phone (03) 5240 6200

WONTHAGGI

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

SOUTH AUSTRALIA

ADELAIDE SUBURBAN

ADELAIDE RENOVATIONS

144 Magill Road
Norwood 5067
Phone: (08) 8132 8000

CITY CROSS

Shop L1 31-33 Rundle Mall
Adelaide 5000
Phone: (08) 8168 8800

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

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

ARMADALE

10 Prospect Road
Armadale 6112
Phone (08) 9498 4400

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

MANDURAH

9 Gordon Road
Cnr Mandurah Terrace
Mandurah 6210
Phone: (08) 9582 5800

MIDLAND

Cnr Clayton and Lloyd Streets
Midland 6056
Phone: (08) 9374 8600

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

PEPPERMINT GROVE

Shop 1A
The Grove Shopping Centre
460 Stirling Highway
Peppermint Grove 6011
Phone: (08) 9285 5700

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

Cnr Sandridge and Denning Road
East Bunbury 6230
Phone (08) 9721 4811

BUSSELTON

24-26 Bussell Highway
Busselton 6280
Phone (08) 9781 0700

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

PORT HEDLAND

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

NEW ZEALAND**BIG CAMERA (AUCKLAND)**

National Bank Centre, Cnr Queen & Victoria Streets
Auckland CBD
Phone: 0011 649 377 6412

BLenheim

19-21 Maxwell Road
Blenheim
Phone: 0011 643 520 9700

BOTANY

500 Ti Rakau Drive
Botany Downs
Phone: 0011 649 272 5700

CHRISTCHURCH

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

CITY STYLE (WELLINGTON)

Capital Gateway, 34 Thorndon Quay
Wellington CBD
Phone: 0011 644 499 4751

DUNEDIN

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

HAMILTON

10-16 The Boulevard
Te Rapa
Hamilton
Phone: 0011 647 850 7300

HASTINGS

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

INVERCARGILL

245 Tay
Invercargill
Phone: 0011 643 219 9100

MANUKAU

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

MT MAUNGANUI

2-10 Owens Place
Mt Maunganui
Phone: 0011 647 572 7200

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 Street West
Palmerston North
Phone: 0011 646 350 0400

PORIRUA

19 Parumoana Street
Porirua
Wellington
Phone: 0011 644 237 2600

ROTORUA

35 Victoria Street
Rotorua
Phone: 0011 647 343 9800

TIMARU

226 Evans Street
Timaru
Phone: 0011 643 687 7000

WAIRAU PARK

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

WANGANUI

287 Victoria Street
Wanganui
Phone: 0011 646 349 6000

WELLINGTON

77-87 Tory Street
Wellington
Phone: 0011 644 381 4250

WHANGAREI

5 Gumdigger Place
Whangarei
Phone: 0011 649 470 0300

DOMAYNE**ALEXANDRIA**

84 O'Riordan Street
Alexandria 2015
Phone: (02) 8339 7000

AUBURN

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

BUNDALL

29-45 Ashmore Road
Bundall 4217
Phone: (07) 5553 2100

CAMPBELLTOWN

4 Blaxland Road
Campbelltown 2560
Phone: (02) 4621 8500

CARINGBAH

212 Taren Point Road
Caringbah 2229
Phone: (02) 8536 5200

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

400 Manns Road
West Gosford 2250
Phone: (02) 4322 5555

KOTARA

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

LIVERPOOL

Liverpool Mega Centre
2/18 Orangegrove Road
Liverpool 2170
Phone: (02) 8778 2222

MELBOURNE QV

Cnr Swanston & Lonsdale Streets
Level 4
9 - 13 Upper Terrace QV
Melbourne 3000
Phone: (03) 8664 4300

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

ALEXANDRIA

Homestyle Centre
49-59 O'Riordan Street
Alexandria 2015
Phone: (02) 8339 8000

Mc GRATHS HILL

Unit 6A
264-272 Windsor Road
McGraths Hill 2756
Phone: (02) 4577 9577

TOWNSVILLE

238-262 Woolcock Street
Garbuck 4814
Phone: (07) 4729 5400

IRELAND**DUNDALK**

Units 2-7 Dundalk Retail Park
Inner Relief Road
Dundalk, Co Louth
Phone: 0011 353 42 939 6600

SWORDS

Units 5, 6 & 7
Airside Retail Park
Swords Road
Swords, Co Dublin
Phone: 0011 353 1 890 9900

SLOVENIA**LJUBLJANA**

Letaliska 3d
1000 Ljubljana
Phone: 0011 386 1585 5000

SINGAPORE

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 IKEA DIGITAL HUB

317 Alexandra Road
#01-00 (Part) Lobby, Ikea Building
Singapore 159965
Phone: 0011 65 6472 0177

HARVEY NORMAN JURONG POINT

1 Jurong West Central 2
#03-37 Jurong Point Shopping Centre
Singapore 648886
Phone: 0011 65 6795 2135

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

HARVEY NORMAN MILLENIA WALK

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