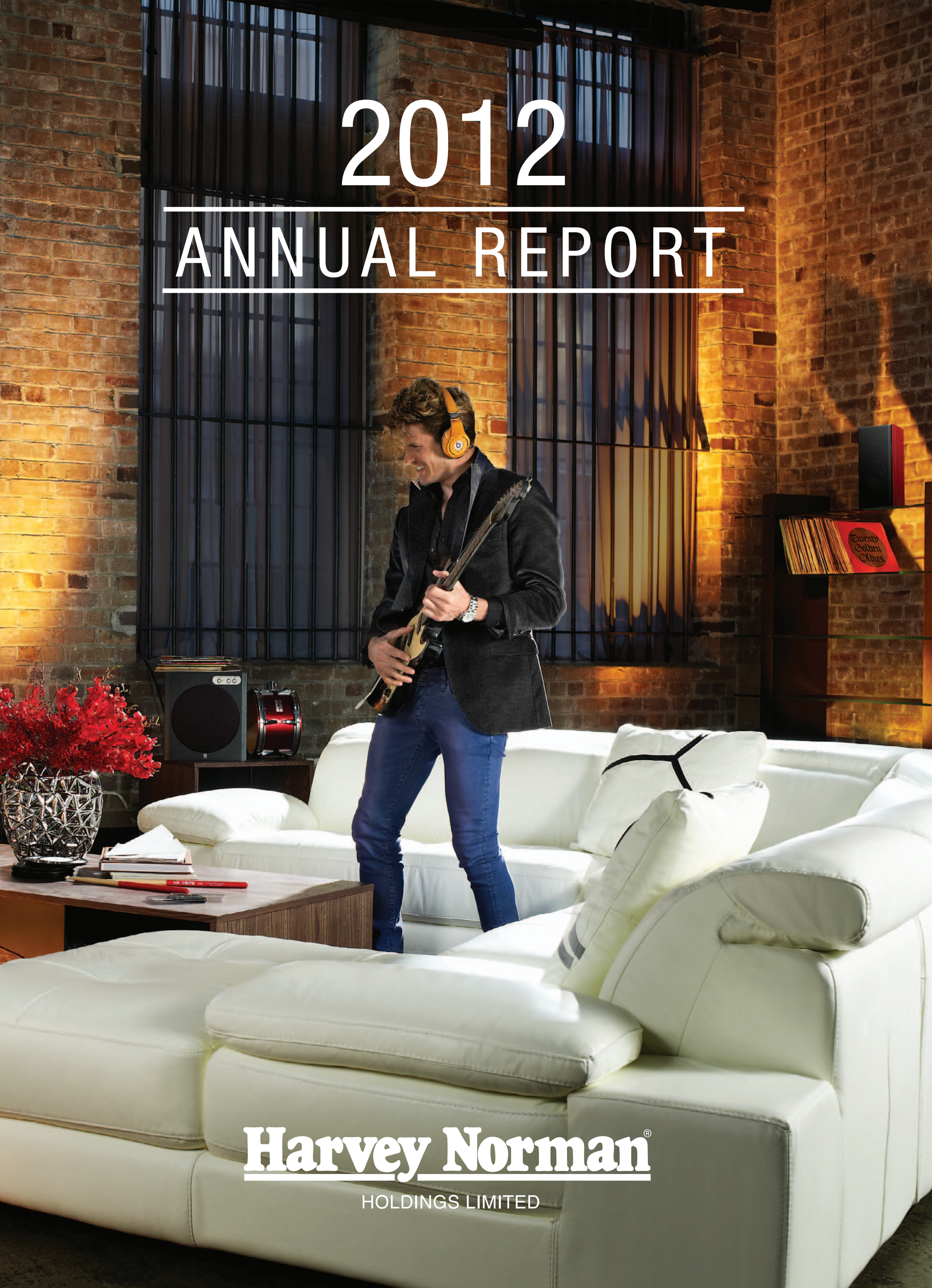
2012 ANNUAL REPORT



Harvey Norman®

HOLDINGS LIMITED

Harvey Norman
HOLDINGS LIMITED

ABN 54 003 237 545

ANNUAL REPORT
YEAR ENDED 30 JUNE 2012

Key Dates	
31 August 2012	Announcement of Full Year Profit to 30 June 2012 Announcement of Final 2012 Dividend
2 November 2012	Record date for determining entitlement to Final 2012 Dividend
27 November 2012	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
3 December 2012	Payment of Final 2012 Dividend
28 February 2013	Announcement of Half-Year Profit to 31 December 2012 Announcement of Interim 2013 Dividend
12 April 2013	Record date for determining entitlement to Interim 2013 Dividend
6 May 2013	Payment of Interim 2013 Dividend

Company Information	
Registered Office	A1 Richmond Road Homebush West NSW 2140 Ph: 02 9201 6111 Fax: 02 9201 6250
Company Secretary	Mr Chris Mentis
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Ph: 02 9290 9600
Stock Exchange Listing	Harvey Norman Holdings Limited shares are quoted on the Australian Securities Exchange Limited ("ASX")
Bankers	Australia and New Zealand Banking Group Limited
Auditors	Ernst & Young
Solicitors	Brown Wright Stein

Contents

FINANCIAL HIGHLIGHTS

Financial Highlights	FY2008	FY2009	FY2010	FY2011	FY2012
No. of franchised complexes in Australia[1]	194	195	194	195	213
No. of franchisees in Australia	604	635	637	667	702
No. of company-operated stores[2]	66	69	70	96	76
Franchisee sales revenue[1]	$4.86bn	$5.06bn	$5.19bn	$5.08bn	$4.83bn
Company-operated sales revenue[2]	$1,428.85m	$1,440.65m	$1,344.46m	$1,556.38m	$1,407.34m
Other revenues and other income items	$1,058.16m	$1,035.10m	$1,097.39m	$1,122.46m	$1,061.23m
Earnings before interest and tax (EBIT)	$555.11m	$382.95m	$420.10m	$416.92m	$276.86m
Profit after tax and non-controlling interests	$358.45m	$214.35m	$231.41m	$252.26m	$172.47m
Net cash flows from operating activities	$289.45m	$442.50m	$386.87m	$358.97m	$200.95m
Basic earnings per share	33.76c	20.18c	21.78c	23.75c	16.24c
Dividends per share (fully franked)	14.0c	11.0c	14.0c	12.0c	9.0c
Net debt to equity ratio (%)	25.80%	20.82%	15.94%	21.87%	26.60%

1 Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

2 Includes the "Harvey Norman" and "Norman Ross" branded company-operated stores in New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia and the "Clive Peeters" and "Rick Hart" branded company-operated stores in Australia (prior to the restructure).

Business Performance

2012 proceeded to be the most challenging year due to unprecedented price and margin deflation in our television and devices categories. External factors being the demise of WOW Sight & Sound (turnover estimated at approximately $225 million), the closure of numerous Retravision stores and the restructure of the Dick Smith brand (resulting in a Dick Smith provision of $420 million) created a glut of product being sold at never before seen prices.

We continue, however, to see good growth in the stores located near the mining areas of Western Australia, Queensland and the Hunter Valley in New South Wales. The capital cities of Sydney, Melbourne and Brisbane are not yet seeing the flow-on effects of the mining boom but our franchisees are well-placed when that happens.

We are fortunate to have an integrated retail, franchise, property and digital operation that enables us to diversify and adapt to the changing retail landscape and mitigate some of the detrimental headwinds experienced in the past few years. We have endured one of our most challenging years since inception, but remain confident that our system is robust and is the most viable format to effectively compete in a difficult market.

Our Omni Channel strategy, incorporating our integrated retail, franchise, property & digital operations, provides strategic advantages over our competitors including:

1. The ability to diversify the product offering within the franchising operations segment to focus on more profitable product categories - Unlike many of our competitors that are solely exposed to the challenging audio visual and information technology ("AV/IT") category, we operate in a number of different product categories that continue to perform solidly. The flexibility of our franchising operations segment allows us to diversify and tailor the product offering of our franchisees towards the more profitable Homemaker categories.
2. A strong balance sheet underpinned by real, tangible property assets – As at balance date, we have a total asset base of approximately $4 billion which is inclusive of a property portfolio valued at $2.12 billion. Our strong balance sheet affords quick access to capital and the ability to seize opportunities in the marketplace as they arise. Property ownership offers the distinct advantage of a reliable income stream in an uncertain retail climate.
3. Our strong asset position and prudent management of working capital allows us to conservatively manage our debt levels. Whilst a cautious level of investment in our system is necessary to maintain and grow market share, our debt to equity ratio remains low at 34.16% and our net debt to equity ratio is 26.60%.
4. Our digital, store and distribution centre channels are fully integrated with consumers supporting our buy online, pick-up in-store capability.

Our Omni Channel strategy requires that we provide our franchisees with tactical support, when and where necessary. Our franchisees will continue to deliver quality, service and value to their customers.

The challenging retail environment and intense competitive pressures have resulted in a net profit before tax of $227.41 million for the year ended 30 June 2012 compared to $373.94 million for the previous year, a decrease of $146.53 million or 39.2%. This result is inclusive of a net property revaluation decrement of $24.99 million before tax for the year compared to a net property revaluation increment of $15.46 million before tax for the preceding year, a deterioration of $40.45 million before tax. Excluding the impact of the net property revaluation adjustments from both years, the net profit before tax would have been $252.40 million for the current year compared to $358.48 million for the previous year, a reduction of $106.08 million or 29.6%.

Our Omni Channel strategy is the backbone of the business and we have made strong progress throughout the year. With the successful launch of new online sites in both Australia and New Zealand throughout 2012, we continue to build on our Omni Channel capability. Since the site's launch, we have made further enhancements through mobile capability and improved functionality in response to the ongoing customer feedback that we have received. Online sales are performing to our initial expectations and, whilst low, our digital platform has been established for the future. Our "Customer First" system which receives and manages communications from consumers across all of our channels as well as providing the workflow for our online sites has been a very good development throughout 2012.

Our digital, store and distribution centre channels are fully integrated with consumers supporting our buy online, pick-up in-store capability. This is proving to be a successful model in other markets around the world and with an established network of stores in metropolitan, regional and country areas, we are well-placed to be able to deliver product and services to consumers as these integrated channels grow.

We continue to develop, support and invest in the skills of our franchisees as well as the information tools of the company for the future. With the natural progression of consumers being more connected, our aim is to continually provide a consistent and quality experience to all Harvey Norman, Domayne and Joyce Mayne customers with a clear focus on our channels and our capability within them.

Chairman's Report (continued)

Financial Analysis and Commentary: Net Profit After Tax and Non-Controlling Interests

Net profit after tax and non-controlling interests was $172.47 million for the year ended 30 June 2012 compared with $252.26 million for the preceding year, a decrease of $79.78 million or 31.6%.

This decrease can be explained as follows:
- a reduction in the profitability of the franchising operations segment by $127.61 million or 50.1% before tax ($89.33 million after tax) due to lower franchise fees and a higher level of tactical support during the year. The aggregate amount of tactical support provided to franchisees was $124.19 million in the current year compared to $60.37 million in the previous year;
- the net property revaluation decrement of $27.77 million before tax ($19.44 million after tax) recorded by the Australian investment property portfolio and joint venture entities for the current year compared to a net revaluation increment of $15.46 million before tax ($10.82 million after tax) in the preceding year, a deterioration of $43.23 million before tax ($30.26 million after tax);
- restructuring and closure costs associated with the restructure of the Clive Peeters and Rick Hart businesses during the year of $8.07 million before tax ($5.65 million after tax);
- a decline of $9.76 million before tax ($6.83 million after tax) in the market value of the listed public securities and dividends received by the consolidated entity; and
- the profit of $7.34 million before tax ($5.14 million after tax) recognised on the sale of a development property located in Mentone, Victoria in the previous year.

The impact of the above decreases has been minimised by the following increases in profit:
- a reduction in the trading losses (excluding restructure and closure costs) incurred by the Clive Peeters and Rick Hart businesses during the year by $34.35 million before tax ($24.05 million after tax) as the businesses did not trade for the full year following the closure of seven (7) stores and the conversion of eighteen (18) stores to Harvey Norman and Joyce Mayne franchised stores in the first half of the year;
- an increase of $24.68 million before tax ($17.27 million after tax) in rent received from franchisees and third party tenants;
- profit of $10.00 million before tax ($7.00 million after tax) recognised on the successful completion and opening of the Springvale development during the current year; and
- a reduction in the trading losses incurred in Ireland and Northern Ireland by $4.56 million before and after tax attributable to favourable foreign currency movements and the continued focus on operational efficiencies and cost control measures.

The tax charge in the income statement was lower by $63.22 million for the year ended 30 June 2012 compared to prior year mainly attributable to:
- a reduction in profit before tax from $373.94 million in the previous year to $227.41 million in the current year, a decrease of $146.53 million translating to a reduction in our tax liability by approximately $40 million;
- the tax benefit recognised in the current year of $16.29 million associated with the treatment of support payments provided to Harvey Norman Holdings (Ireland) Limited during 2010, 2011 and 2012 as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012; and
- the tax benefit recognised in the current year of $6.31 million associated with the reversal of future tax liabilities previously recognised on certain pre-CGT properties.

Key Elements of an Integrated Retail, Franchise, Property and Digital System

Review of the Franchising Operations Segment in Australia:

The result before tax of the franchising operations segment was $126.98 million for the year ended 30 June 2012 compared to $254.59 million for the preceding year, a reduction of $127.61 million 50.1%. The discretionary retail sector in Australia has been affected by a perfect storm of challenges, including deteriorating global economic confidence, a prudent consumer, deflationary headwinds, particularly in the AV/IT categories and a high Australian dollar limiting growth in non-mining related sectors. This has seen consolidation occur in the AV/IT category and has forced many retailers to struggle to maintain margins in the fight for market share. These factors have reduced franchise fees received. Gross revenue from the franchising operations segment has reduced from $938.93 million in the previous year to $858.01 million for the year ended 30 June 2012, a reduction of $80.92 million or 8.6%. Our Omni Channel strategy enables us to provide a higher level of tactical support to assist franchisees to manage the challenging environment and effectively compete in their local markets.

Sales Revenue Generated by Independent Franchisees:

Sales revenue generated by independent franchisees amounted to $4.83 billion for the year ended 30 June 2012 compared with $5.08 billion for the preceding period, a decline of 4.9%.

CHAIRMAN'S REPORT (CONTINUED)

Our retail franchisees will continue to innovate, invest and improve their product offering, online channel, staff training and strategic category enhancements. Trading conditions continue to be challenged particularly in the technology categories. Home appliances, furniture and bedding remain stable and the businesses are well-placed for any upturn in housing starts.

Franchising Operations Margin and Key Statistics:

The franchising operations margin is calculated as the segment result before tax of the franchising operations segment over franchisee aggregate sales revenue. The franchising operations margin was 2.63% for the year ended 30 June 2012 compared to 5.01% for the year ended 30 June 2011.

Franchising Operations Margin	2010	2011	2012
No. of franchised outlets in Australia[1]	194	195	213
Franchising operations segment result before tax	$310.68m	$254.59m	$126.98m
Franchisee sales revenue[1]	$5.19bn	$5.08bn	$4.83bn
Franchising operations margin (%)	**5.99%**	**5.01%**	**2.63%**

[1] Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity. Retail sales in Harvey Norman, Domayne and Joyce Mayne complexes in Australia are made by independently owned franchised business entities that are not consolidated with the consolidated entity's results.

Franchising Operations Segment Key Statistics:	2010	2011	2012
Return on franchising operations equity (a)	44.13%	37.52%	19.90%
Return on franchising operations assets (b)	25.70%	20.88%	11.42%
Revenue from franchising operations	$944.32m	$918.49m	$858.01m
Franchising operations EBITDA	$384.80m	$332.46m	$202.81m

(a) Calculated as: EBIT from Franchising Operations ÷ Franchising Operations Equity*
(*equity allocated to franchising operations segment based on franchising operations assets as a proportion of total assets)
(b) Calculated as: EBIT from Franchising Operations ÷ Franchising Operations Segment Assets (after eliminations)

Review of the Integrated Franchising Operations and Retail Property Segments in Australia:

The integrated franchising and retail property system in Australia (excluding freehold property located in New Zealand, Singapore and Slovenia) delivered a segment result before tax of $223.57 million for the year ended 30 June 2012 compared to a result before tax of $377.90 million for the comparative year, a reduction of $154.33 million or 40.8%.

Integrated Franchising & Retail Property Segment in Australia	2010	2011	2012
Franchising operations segment result before tax	$310.68m	$254.59m	$126.98m
Australian retail property segment result before tax	$53.64m	$123.31m	$96.59m
Total integrated franchising & Australian retail property segment result before tax	**$364.32m**	**$377.90m**	**$223.57m**

Australian Retail Property Segment – Key Statistics:

The retail property segment in Australia is an ideal complement to the franchising operations segment. The existence of a robust property portfolio in Australia gives franchisees access to high-quality retail premises and a dynamic, cross-beneficial tenancy mix.

Australian Retail Property Portfolio Statistics	2010	2011	2012
Weighted average capitalisation rates	8.70%	8.77%	8.89%
Average occupancy rates	96.96%	97.56%	96.94%
Net property yield (a)	4.61%	9.10%	7.09%
Return on equity (b)	7.91%	16.35%	12.39%
Australian Retail Property Portfolio:	**$000**	**$000**	**$000**
Australian retail property segment result (c)	53,639	123,313	$96,587
Australian retail property EBIT (c)	67,457	141,051	$122,198
Australian net revaluation increment / (decrement)	(39,906)	15,455	(27,768)

(a) Calculated as: EBIT from Australian Retail Property Segment ÷ Australian Retail Property Segment Assets (after eliminations)
(b) Calculated as: EBIT from Australian Retail Property Segment ÷ Australian Retail Property Equity*
(*equity allocated to Australian retail property segment based on Australian retail property assets as a proportion of total assets)
(c) The Australian retail property segment result and EBIT figures are inclusive of the Australian net revaluation increments/(decrements)

CHAIRMAN'S REPORT (CONTINUED)

Australian Net Property Revaluation Adjustments:

The investment property portfolio in Australia is subject to a bi-annual review to fair market value at each reporting period. At each reporting period, one-sixth of the investment property portfolio is independently valued with the remaining five-sixths fair-valued by Directors where appropriate. The whole portfolio is independently valued every three years.

During the year ended 30 June 2012, thirty (30) investment and joint venture properties in Australia have been independently reviewed. The review for the current year resulted in a revaluation decrement of $27.77 million. The revaluation decrement is isolated to a small number of sites including the devaluation of surplus land at Cambridge, Tasmania and a devaluation of the Maroochydore, Queensland development which was driven by higher development and construction costs relative to fair market valuations. The Maroochydore development is currently under construction (approximately 75% complete) and is expected to commence trading in November 2012. The softer fair market valuation of Maroochydore also takes into consideration the fact that the site is not fully tenanted as at balance date and the challenging leasing conditions in the local area.

Valuations for fully operational sites have generally remained stable. We have seen some slight softening of capitalisation rates but these have been offset by improvements in rental income from existing tenants and supported by stable occupancy rates.

Review of the Property Portfolio of the Consolidated Entity:

Total Property Portfolio of the Consolidated Entity (Inclusive of Freehold Property located in New Zealand, Singapore and Slovenia):

A strong property portfolio is an essential component of our Omni Channel strategy. Physical stores and distribution centres are key channels of the business that are integrated with our digital operations. Since inception, we have adopted a selective and prudent acquisition and development strategy. Over the years, the property portfolio has grown substantially to a mixture of predominantly retail properties, a number of industrial sites and some selected non-retail property assets. The combination of multi-tenant retail centres and stand-alone sites, which are geographically spread across Australia, provides a wide selection of retail floor space. The property portfolio is well-placed to adapt and respond to prevailing opportunities both in retail and other sectors of the market.

Our consolidated property portfolio is valued at $2.12 billion as at 30 June 2012. This represents over 50% of our total asset base as at balance date. The result before tax generated by our property segments represents 37% of our consolidated profit before tax for the year ended 30 June 2012 or 48% if we excluded the impact of the net property revaluation decrement for the year.

The segment result before tax of our property segments was $84.44 million for the year ended 30 June 2012 compared to a result of $112.02 million for the previous year, a decrease of $27.58 million or 24.6%. If the net property revaluation adjustments were excluded from both years, the segment result before tax would have been $109.43 million for the current year compared to $96.56 million for the preceding year, an increase of $12.87 million or 13.3%.

Composition of the Property Portfolio	2010 $000	2011 $000	2012 $000
Investment properties	1,393,991	1,403,181	1,578,659
Investment properties under construction	95,209	198,420	75,087
Joint venture properties	140,581	158,978	157,992
Owned land & buildings in New Zealand, Singapore & Slovenia	230,595	257,765	280,717
Properties held for resale	17,485	26,579	26,739
Total Property Portfolio	**1,877,861**	**2,044,923**	**2,119,194**

The Harvey Norman property portfolio consists of Harvey Norman, Domayne and Joyce Mayne complexes in Australia, Harvey Norman and Norman Ross stores in New Zealand, properties located in Singapore, Harvey Norman stores in Slovenia, properties held under joint venture agreements and land and buildings in Australia for development and resale at a profit.

Benefits of Property Ownership:

Property ownership delivers the following benefits to the consolidated entity:

- The presence of Harvey Norman, Domayne or Joyce Mayne franchisees as anchor tenants in a complex is a key drawcard to attract superior national third-party tenants and quality local operators to co-locate within the same complex. This provides us with a distinct advantage in its ability to create a solid, dynamic and cross-beneficial tenancy mix in order to maximise the profitability of the retail property segment.
- Despite the softening retail sector, property ownership delivers a steady and reliable income stream in the form of rent charged to franchisees and complementary third-party tenants.
- A large property portfolio under management creates economies of scale, delivers operational cost efficiencies and enhanced negotiating power in the property sector.

CHAIRMAN'S REPORT (CONTINUED)

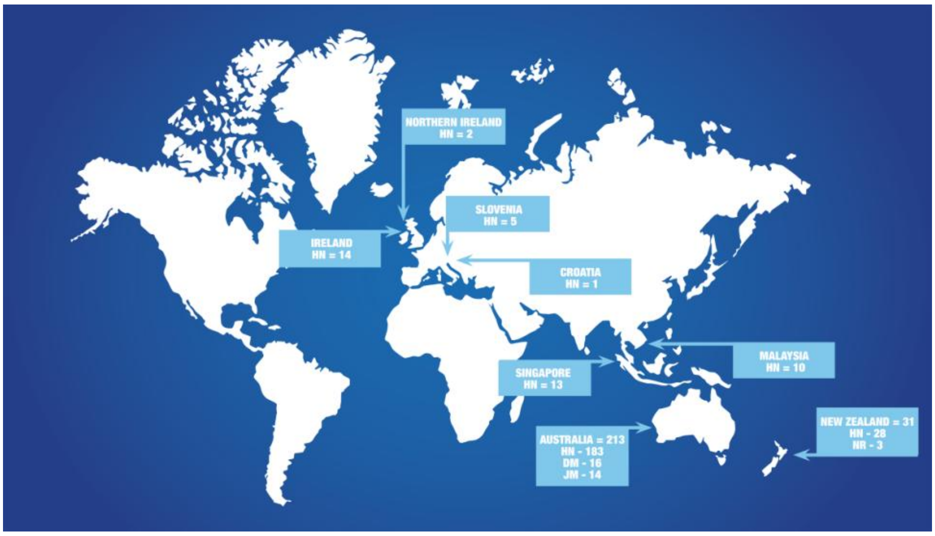
Breakdown of Owned and Leased Sites:

30 June 2012	Number of Owned Sites	Number of Leased Sites *	Total
Australia: Franchised complexes	77	136	**213**
New Zealand	17	14	**31**
Slovenia	5	-	**5**
Croatia	-	1	**1**
Ireland & Northern Ireland	-	16	**16**
Asia	-	23	**23**
TOTAL	**99**	**190**	**289**

* leased from external parties

Geographic Spread:

This diagram displays the geographic spread of the franchised Harvey Norman ("HN"), Domayne ("DM") and Joyce Mayne ("JM") franchised complexes in the Australian market, the Harvey Norman and Norman Ross ("NR") branded company-operated stores in New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia as at 30 June 2012.



Acquisitions, New Complex and Store Openings, Closures and Conversions:

Store Openings Due to Conversions from the Clive Peeters and Rick Hart brands

In August 2011, we announced that we would restructure the Clive Peeters and Rick Hart businesses. By the end of August 2011, we had closed seven (7) Clive Peeters and Rick Hart retail sites. In September 2011 we commenced the conversion process for the remaining eighteen (18) Clive Peeters and Rick Hart stores to the franchised model. Eighteen (18) new franchised complexes were opened pursuant to this conversion. Sixteen (16) stores were converted to the Harvey Norman brand format and two (2) stores were converted to the Joyce Mayne brand format.

Franchised Complex Openings, Conversions and Closures

Three (3) new franchised Harvey Norman complexes, located at Ballina (NSW), Springvale (VIC) and Atherton (QLD) commenced trading during the current year.

One (1) new franchised Domayne complex commenced trading at the landmark Springvale development.

During the year we closed two (2) Harvey Norman complexes located at Indooroopilly (QLD) and Woden (ACT) and two (2) Joyce Mayne complexes located at Alexandria (NSW) and Morayfield (QLD).

There were 213 franchised complexes in Australia as at 30 June 2012 under the following brand names:

- Harvey Norman 183
- Domayne 16
- Joyce Mayne 14

CHAIRMAN'S REPORT (CONTINUED)

Company-Operated Store Openings and Closures in Offshore Markets

During the year, we entered into the Croatian market with our first store opening at Zagreb, the capital of Croatia, in October 2011.

One (1) new store was opened in Maribor, Slovenia's second largest city, in October 2011 bringing the total number of stores in Slovenia to five (5).

The flagship Space showroom located in Bencoolen Street, Singapore, was officially opened in November 2011 following extensive redesign and restoration work by WOHA Architects. Two (2) new stores were opened in Malaysia, both in May 2012, located in Setia City Mall and Paradigm Mall. We now have ten (10) stores in total in Malaysia.

There were no other store openings or closures in other overseas markets.

There are thirty-one (31) stores in total in New Zealand under the Harvey Norman and Norman Ross brand names. There are thirteen (13) Harvey Norman stores in Singapore. We remain committed to our company-operated stores in Ireland and Northern Ireland with fourteen (14) and two (2) Harvey Norman stores respectively.

There were 76 company-operated stores located in offshore markets as at 30 June 2012.

Review of the Company-Operated Retail Segments:

In overseas markets our stores are company-operated. Our total retail segment primarily consists of company-operated stores in New Zealand, Singapore, Malaysia, Ireland, Northern Ireland, Slovenia and Croatia and the stores previously trading under the Clive Peeters and Rick Hart brand names in Australia.

The total retail segment result before tax was a profit of $9.70 million for the year ended 30 June 2012 compared to a loss of $10.59 million before tax for the previous year, a turnaround of $20.29 million. This improvement is predominantly due to an improved loss generated by the Clive Peeters and Rick Hart businesses during the year by $26.28 million following the restructure of the brands in the first half of the year.

We are pleased with the performance of our retail operations in New Zealand. Despite the subdued state of the New Zealand economy, the retail stores in New Zealand delivered a solid result of $39.13 million before tax, an 8.5% reduction from prior year. The 100% company-owned Space brand in Singapore and Malaysia is ideally placed for the growing prestige market in the Asia Pacific region. Our controlling investment interest in Pertama Holdings Limited, Singapore is a platform for future growth and expansion of the Harvey Norman brand in Singapore and Malaysia.

Restructure and Closure of the Clive Peeters and Rick Hart Stores and Brand Names:

In August 2011 we advised the market of our intention to restructure the Clive Peeters and Rick Hart businesses and to cease trading under the impaired brand names. By the end of August 2011, we had closed four (4) former Clive Peeters stores and three (3) former Rick Hart stores. The remaining thirteen (13) Clive Peeters stores and five (5) Rick Hart stores were converted to Harvey Norman and Joyce Mayne franchised operations.

We incurred restructuring and closure costs of $8.07 million before tax mainly attributable to redundancy and termination costs, fixed asset write-downs and onerous lease costs for the closed sites. This is less than the expected closure costs previously estimated and reported in August 2011 of approximately $10.00 million before tax.

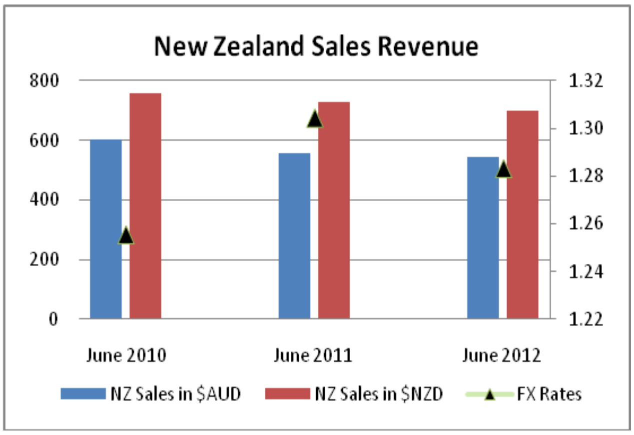
Consolidated sales revenue for the year ended 30 June 2012 was $134.41 million for the Clive Peeters and Rick Hart brands, under the company-operated retail model. Consolidated sales revenue for the preceding year was $279.66 million. Excluding restructuring and closure costs of $8.07 million before tax, the trading loss incurred by the Clive Peeters and Rick Hart businesses amounted to $6.72 million before tax. This is a reduction from $41.07 million of losses incurred in the previous year.

CHAIRMAN'S REPORT (CONTINUED)

Sales and Profitability of the Overseas Controlled Entities:

New Zealand

Sales revenue from the New Zealand company-operated stores decreased by $NZ29.38 million (decrease of 4.0%) due to a combination of natural disasters and the challenging retail climate in New Zealand. The store closures in Christchurch arising from the earthquakes in early 2011 negatively impacted sales revenue. Upon translation into Australian dollars, the decrease in sales revenue was $13.64 million (decrease of 2.4%). The rate of decrease in Australian dollars was reduced due to a 1.7% appreciation in the New Zealand dollar relative to the Australian dollar.

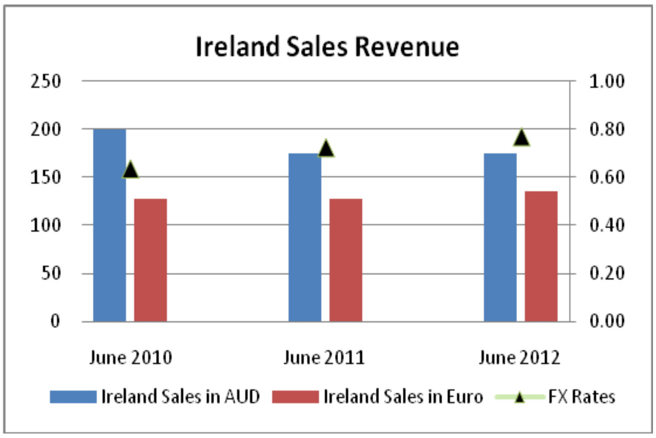


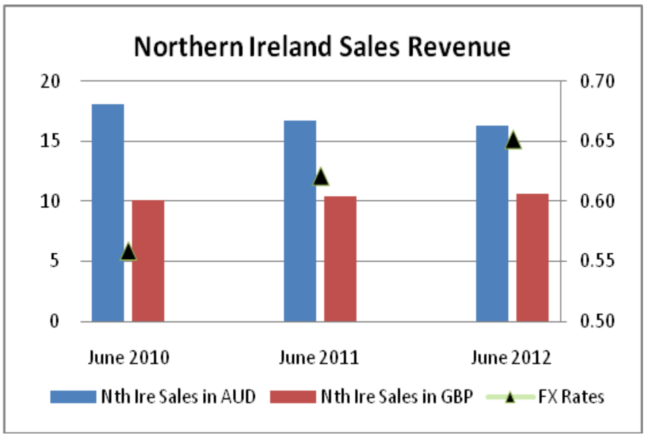
Similar to the trend experienced by franchisees in Australia, the Homemaker categories in New Zealand, mainly the bedding category, are doing particularly well, assisted by the closures of key bedding suppliers during the year which gave our company-operated stores in New Zealand an opportunity to seize market share. The AV/IT categories in New Zealand have also been significantly hampered by severe price deflation and intense discounting by competitors.

The retail segment result in New Zealand was $39.13 million for the year ended 30 June 2012 compared to $42.78 million for the previous year, a decrease of 8.5%. The decrease in local currency was 10.0%.

Despite the depressed economic climate in New Zealand, our operations are robust, being the market leader across all major product categories.

Ireland and Northern Ireland





Sales revenue from the company-operated stores in Ireland increased by €8.02 million (increase of 6.3%) from €126.90 million in the previous year to €134.92 million for the year ended 30 June 2012. Upon translation into Australian dollars, sales revenue actually decreased by $0.10 million (decrease of 0.1%). The lower increase was due to a 6.0% decline in the Euro relative to the Australian dollar.

Sales revenue from the two company-operated stores in Northern Ireland increased by £0.20 million (increase of 2.0%) from £10.40 million in the previous year to £10.60 million for the year ended 30 June 2012. Upon translation into Australian dollars, sales revenue actually decreased by $0.47 million (decrease of 2.8%) due to a 4.7% decline in the UK Pound Sterling relative to the Australian dollar.

The segment result for the operations in Ireland and Northern Ireland was a trading loss of $34.04 million for the year ended 30 June 2012 compared to a loss of $38.59 million for the preceding year. The loss was reduced by $4.56 million or 11.8% due to the combination of an appreciation in the Australian dollar relative to the Euro and the implementation of operational efficiencies by management that have effectively controlled costs. With growth in market share and strong brand awareness across Ireland and Northern Ireland, the operations are well positioned to take advantage of any improvements in macroeconomic conditions.

CHAIRMAN'S REPORT (CONTINUED)

Ireland reported a loss of €22.30 million for the year ended 30 June 2012 compared to a loss of €24.54 million in the previous year, a reduced loss of 9.1% in local currency. The Irish loss in Australian dollars improved on the previous year by 14.6%.

Northern Ireland reported a loss of £3.32 million for the year ended 30 June 2012 compared to a loss of £2.93 million in the previous year, a deterioration of 13.3% in local currency. In Australian dollars, there was an 8.0% deterioration in the Northern Ireland segment result.

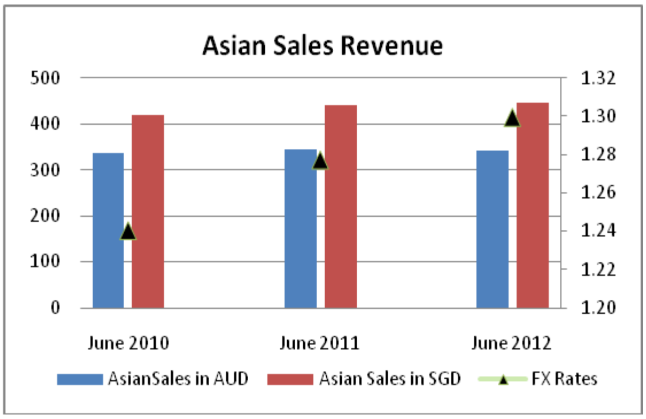
In early July 2012, the Company announced the restructure of the Irish and Northern Irish businesses with the aim of reducing future losses and increasing growth. The main features of the restructure include:

- The launch of a large new furniture and bedding store in West Dublin;
- The launch of Harvey Norman Online, a new e-commerce initiative in Ireland and Northern Ireland;
- The closure of the store located at Mullingar, Ireland which has underperformed;
- The reformatting of the Dundalk Outlet store in Ireland to focus on the furniture and bedding categories;
- The reformatting of the two stores in Northern Ireland located at Newtownabbey and Holywood to focus on the furniture and bedding categories.

We have not recognised the costs of the above restructure in the financial statements and notes disclosed in this report as the announcement to affected parties in Ireland and Northern Ireland and the general public was made subsequent to 30 June 2012.

The Board remains committed to the operations in Ireland and Northern Ireland for the long-term.

Asia



Sales revenue from controlled entity Pertama Holdings Limited, Singapore and trading as "Harvey Norman", increased by S$5.41million (increase of 1.2%). Upon translation into Australian dollars, sales actually decreased by $1.69 million (decrease of 0.5%). There was a devaluation of 1.7% in the Singapore dollar relative to the Australian dollar.

The Harvey Norman branded stores in Singapore and Malaysia continue to grow market share. The segment result in Asia was $9.44 million in the year ended 30 June 2012 compared to $13.05 million in the previous year, a decrease of 27.7%. The decrease in local currency was 26.4%. The profitability of the Asian segment reduced on prior year due to price deflation, particularly in the AV/IT categories, disruption of trade to the Millenia Walk flagship store in Singapore attributed to resumption of floorspace by the landlord and the operation of two warehouses in lieu of purchasing a large warehouse to service all stores in Singapore.

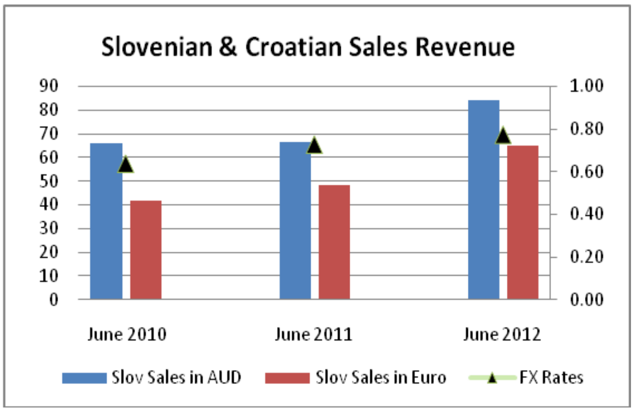
We are pleased with the performance of the Harvey Norman branded stores in Singapore and Malaysia, and the plan is to increase the Harvey Norman brand in the Malaysian market.

The investment in the 100% company-owned Space brand in Singapore and its relocation to the recently redeveloped world-class showroom in Bencoolen Street, Singapore will position it to take advantage of growth in demand for premium furniture within this key global market.

CHAIRMAN'S REPORT (CONTINUED)

Slovenia and Croatia

Sales revenue from the company-operated stores in Slovenia and Croatia increased by €16.90 million (increase of 35.1%) relative to the previous year. This increase is mainly attributable to the sales revenue recorded by the two new stores at Maribor in Slovenia and Zagreb in Croatia that commenced trading in October 2011 and a full year's trading of the Novo Mesto store that opened in October 2010.



Upon translation into Australian dollars, the increase in sales was $17.74 million (increase of 26.7%).

The retail segment result in Slovenia and Croatia was $2.43 million for the year ended 30 June 2012 compared to $5.37 million for the previous year, a decrease of 54.8%. Slovenia reported a profit of €3.21 million for the year ended 30 June 2012 compared to a profit of €3.89 million in the previous year, a reduction in local currency of 17.6%. Croatia reported a loss of €1.34 million or a loss of $1.73 million in Australian dollars primarily due to the start-up investment costs of opening the Zagreb store.

Despite the challenging economic conditions in Europe, the retail business in Slovenia continues to be robust and growing market share. With the opening of the store in Maribor, Slovenia's second largest city and located in the country's north east region, the existing 5 stores cover a wide geographic area of Slovenia.

Other Non-Franchised Retail

The non-franchised retail segment consists of the retail trading operations in Australia which are controlled by the consolidated entity and does not include any operations of Harvey Norman franchisees.

Sales revenue for the other non-franchised retail segment was $106.26 million for the year ended 30 June 2012 compared to $112.58 million for the previous year, a decrease of 5.6%.

The segment result for the non-franchised retail segment was a profit of $7.53 million for the current year compared to a profit of $7.87 million in the prior year, a decrease of $0.34 million or 4.4%.

Outlook and Other

Equity

Consolidated equity as at 30 June 2012 was $2.27 billion compared to $2.23 billion at 30 June 2011 – an increase of $38.42 million or 1.7%. Included within consolidated equity is an amount of $30.93 million (June 2011: $34.88 million) attributable to non-controlling interests, of which $28.21 million relates to non-controlling interests in Pertama Holdings Limited, Singapore. Consolidated equity was diluted by $14.74 million as a result of the payment of consideration for the on-market acquisition of a further 12,592,150 shares in Pertama Holdings Limited, Singapore and the acquisition of a further 24.9% shareholding in a retail controlled entity in Australia which was in excess of the carrying value of the non-controlling interest.

Dividend

The recommended final dividend is 4.0 cents per share fully franked (June 2011: 6.0 cents per share fully franked). This final dividend will be paid on 3 December 2012 to shareholders registered at 5:00 pm on 2 November 2012. No provision has been made in the Statement of Financial Position for this recommended final dividend.

CHAIRMAN'S REPORT (CONTINUED)

Outlook

We continue to execute our Omni Channel strategic plan to deliver improved performance for the Australian franchisees and company-operated stores internationally. We are convinced that this will deliver improved results and a sustainable and growing future.

Our integrated retail, franchise, property and digital operations are the backbone of our Omni Channels. This is unique within the categories and markets in which we operate. The online operations of the business across Australia and New Zealand will continue to develop and will deliver incremental revenue in the year ahead for our existing franchisees and company-operated stores. Continuing refinement of our digital platform will create new opportunities for growth in which we continue to invest. There will be an increase in the number of products that are available online in the coming year and we will continue to improve our online offer to consumers.

We continue to implement our merchandising and supply-chain improvements program. Our investment will deliver improved information from both our suppliers and customers and provide a seamless customer experience across all channels.

Within the Australian franchising operations segment, we anticipate that the Home Entertainment and Technology category will continue to remain volatile and uncertain however with further retailer and supplier rationalisation occurring, there is the opportunity for improvement. Whilst the predictions for market values remain flat at best, we are cautiously optimistic of consolidating and increasing our market shares in the technology categories and geographies in which we compete. The strong performance of the Home Appliance, Furniture and Bedding categories will continue to deliver results. We are more than well positioned to capitalise on any resurgence in the domestic home market.

Our New Zealand operation remains strong and will be positively supported by the re-opening of the main complex within Christchurch in late 2012.

Our Irish business has improved and we expect this to continue in the year ahead within this challenged economy. We have a strong position with both Irish consumers and suppliers that is supporting the ongoing improvements to this business.

Within central Europe, Slovenia has a solid position for growth and we expect that the investment in the initial store in Croatia will develop positively throughout the year.

The flagship homemaker centre at Maroochydore in Queensland will open as scheduled in November 2012 adding to the strong asset base of the company's property portfolio.

The balance sheet of the company remains strong through conservative fiscal management. The low net debt to equity ratio with tangible property assets in excess of $2.12 billion has the company well positioned to manage the core business within the respective territories and take advantage of opportunities in the future.

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

G. HARVEY
Executive Chairman
Sydney, 28 September 2012

DIRECTOR'S REPORT

Your directors submit their report for the year ended 30 June 2012.

Directors

Names, qualifications, experience and special responsibilities:

The names and details of the directors of Harvey Norman Holdings Limited (the "Company") in office during the financial year and until the date of this report are as follows. Unless otherwise indicated, all directors (collectively termed the "Board") held their position as a director throughout the entire financial year and up to the date of this report.

Gerald Harvey – Executive Chairman

Mr. G. Harvey, aged 73, was the co-founder of Harvey Norman Holdings Limited in 1982 with Mr. I. Norman. Mr. G. Harvey has overall executive responsibility for the strategic direction of the consolidated entity, and in particular, property investments. Mr. G. Harvey is a director of Pertama Holdings Limited, a company listed on the Stock Exchange of Singapore.

Kay Lesley Page – Executive Director and Chief Executive Officer

Ms. Page, aged 55, joined Harvey Norman in 1983 and was appointed a director of Harvey Norman Holdings Limited in 1987.

Ms. Page became the Chief Executive Officer of the Company in February 1999 and has overall executive responsibility for the consolidated entity. Ms. Page is a member of the NSW Public Service Commission Advisory Board.

Ms. Page is a director of the following other listed/public companies:

- Pertama Holdings Limited, Singapore
- Australian National Retailers Association (ANRA)
- Museum of Contemporary Art, Sydney

Ms. Page was a director of the public company, National Rugby League Limited, until February 2012.

John Evyn Slack-Smith – Executive Director and Chief Operating Officer

Mr. Slack-Smith, aged 43, was a Harvey Norman computer franchisee between 1993 and 1999. Mr. Slack-Smith became a director of the Company on 5 February 2001. Mr. Slack-Smith has overall executive responsibility for the operations of the consolidated entity. Mr Slack-Smith is a director of the public company, Lifehouse At RPA.

David Matthew Ackery – Executive Director

Mr. Ackery, aged 52, was appointed a director of Harvey Norman Holdings Limited on 20 December 2005. Mr. Ackery has overall executive responsibility for the relationship between the consolidated entity and Harvey Norman home appliances, home entertainment and technology franchisees and strategic partners. Mr. Ackery is a director of the public company, St. Joseph's College Foundation Limited.

Chris Mentis B.Bus., FCA, FCIS – Executive Director, Chief Financial Officer and Company Secretary

Mr. Mentis, aged 46, was appointed a director of Harvey Norman Holdings Limited on 30 August 2007.

Mr. Mentis joined Harvey Norman as Financial Controller on 15 December 1997. On 20 April 2006, he became Chief Financial Officer and Company Secretary. Mr. Mentis is a chartered accountant and a chartered secretary with over 25 years experience in financial accounting. Mr. Mentis has overall executive responsibility for the accounting and financial matters of the consolidated entity.

Mr. Mentis is an alternate director on the Board of Pertama Holdings Limited, Singapore.

Ian John Norman - Non-Executive Director

Mr. Norman, aged 73, was co-founder of Harvey Norman with Mr. G. Harvey in 1982.

DIRECTOR'S REPORT (CONTINUED)

Michael John Harvey B.Com. - Non-Executive Director

Mr. M. Harvey, aged 47, 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 and Managing Director on 30 June 1998.

Christopher Herbert Brown LL.M, FAICD, FTIA - Non-Executive Director

Mr. Brown, aged 62, 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 has acted as lawyers for the consolidated entity since 1982. Mr. Brown was appointed a director of the Company in 1987, when it became a listed public company. Mr. Brown is Chairman of the Remuneration and Nomination Committees and a member of the Audit Committee. Mr. Brown is the Chairman of Windgap Foundation Limited.

Kenneth William Gunderson-Briggs B.Bus., FCA, MAICD – Non-Executive Director (Independent)

Mr. Gunderson-Briggs, aged 50, was appointed a director of Harvey Norman Holdings Limited on 30 June 2003. Mr. Gunderson-Briggs is a chartered accountant and a registered company auditor. Mr. Gunderson-Briggs has been involved in public practice since 1982 and a partner in a chartered accounting firm since 1990. Mr. Gunderson-Briggs' qualifications include a Bachelor of Business from the University of Technology, Sydney and he is a fellow of the Institute of Chartered Accountants. Mr. Gunderson-Briggs is a member of the Audit, Remuneration and Nomination Committees. Mr. Gunderson-Briggs continues to serve as a director of Windgap Foundation Limited, Glenaeon Rudolph Steiner School Limited and Glenaeon Foundation Limited.

Graham Charles Paton AM, B.Ec., FCPA, MAICD - Non-Executive Director (Independent)

Mr. Paton, aged 67, holds a Bachelor of Economics degree from the University of Sydney. During his twenty-three years as a partner of an international chartered accounting practice, he was involved in the provision of professional services to the retail industry. 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 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 and was appointed Chairman of the Audit Committee on 9 March 2006.

Mr Paton is an independent non-executive director of Gazal Corporation Limited, a company listed on the ASX.

DIRECTOR'S REPORT (CONTINUED)

Committee Membership

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

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

Audit Committee

- G.C. Paton AM (Chairman)
- C.H. Brown
- K.W. Gunderson-Briggs

Nomination Committee

- C.H. Brown (Chairman)
- K.W. Gunderson-Briggs
- G.C. Paton AM

Remuneration Committee

- C.H. Brown (Chairman)
- K.W. Gunderson-Briggs
- G.C. Paton AM

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	11
Audit	8
Remuneration	8
Nomination	1

Attendance at Remuneration Committee Meetings:

- C.H. Brown (Chairman): 8 (8)
- K.W. Gunderson-Briggs: 8 (8)
- G.C. Paton AM: 8 (8)

Attendance at Nomination Committee Meeting:

Each of Mr G.C. Paton, Mr C.H. Brown, and Mr K.W. Gunderson-Briggs attended the Nomination Committee meeting held during the year.

The attendance of directors at meetings of the Board and Audit Committee were:

Director	Board of Directors	Audit Committee
G. Harvey	11 (11)	n/a
K.L. Page	11 (11)	n/a
J.E. Slack-Smith	11 (11)	n/a
D.M. Ackery	10 (11)	n/a
M.J. Harvey	9 (11)	n/a
C.H. Brown	10 (11)	8 (8)
I.J. Norman	9 (11)	n/a
K.W. Gunderson-Briggs	11 (11)	8 (8)
G.C. Paton	11 (11)	8 (8)
C. Mentis	11 (11)	n/a

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.

The details of the functions and memberships of the Audit Committee of the Board are presented in the Corporate Governance Statement.

Directors' Interests

At the date of this report, the relevant direct and indirect 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	312,509,532	-
I.J. Norman	175,249,660	-
K.L. Page	16,995,133	-
M.J. Harvey	2,845,553	-
C.H. Brown	103,467	-
J.E. Slack-Smith	259,999	1,678,000
D.M. Ackery	146,667	1,678,000
K. W. Gunderson-Briggs	3,000	-
G.C. Paton	15,000	-
C. Mentis	7,450	1,678,000
TOTAL	508,135,461	5,034,000

DIRECTOR'S REPORT (CONTINUED)

Beneficial Interest

Included in the Directors' Interests table on page 16 are the following shareholdings indirectly held by each of the directors:

Director	Beneficial Interest in Shares
G. Harvey	has a beneficial interest in 140,629,301 shares held by G Harvey Nominees Pty Limited, and 333,333 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 8,101,858 shares held by K. Page Pty Limited, 318,406 shares held by K. Page Superannuation Fund Pty Limited and 333,333 shares held by HVN Share Plan Pty Limited.
J.E. Slack-Smith	has a beneficial interest in 59,999 shares held by HVN Share Plan Pty Limited and 200,000 shares held by J. E. Slack-Smith as Trustee for Slack-Smith 2003 Option Trust (Shares).
D.M. Ackery	has a beneficial interest in 133,334 shares held by HVN Share Plan Pty Limited and 13,333 shares held by D.M. Ackery as Trustee for Ackery 2005 Option Trust (Shares).
M.J. Harvey	has a beneficial interest in 678,735 shares held by M.J. Harvey Option Trust.
C.H. Brown	has a beneficial interest in 41,763 shares held by PWSD Pty Limited and 61,704 shares held by 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	has a beneficial interest in 15,000 shares held by G.C. Paton and V. Paton as trustee for The St. Georges Superannuation Fund.

Share Options

As at the date of this report, there were 5,034,000 unissued ordinary shares under options (30 June 2011: 3,000,000). Details of share options are set out in Note 28 and Note 30 to the financial statements and form part of this report.

Principal Activities

The principal activities of the consolidated entity are that of an integrated retail, franchise and property enterprise including:

- Franchisor
- Sale of furniture, bedding, computers, communications and consumer electrical products in New Zealand, Slovenia, Republic of Ireland, Northern Ireland and Croatia
- Property investment
- Lessor of premises to Harvey Norman franchisees and other third parties
- Media placement
- Provision of consumer finance and other commercial advances

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 sales of furniture, bedding, computers, communications and consumer electrical products in Singapore and Malaysia.

Results

The profit after tax and non-controlling interests for the year ended 30 June 2012 was $172.47 million. This represents a reduction of 31.6% on the profit after tax and non-controlling interests for the year ended 30 June 2011.

DIRECTOR'S REPORT (CONTINUED)

Dividends

The directors recommend a fully franked dividend of 4.0 cents per share to be paid on 3 December 2012 (total dividend, fully franked - $42,492,671). 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	$
2011 final fully franked dividend	5 December 2011	63,739,007
2012 interim fully franked dividend	7 May 2012	53,115,839

The dividend payment in respect of the year ended 30 June 2012 represents 55.43% (2011: 50.54%) of profit after tax and non-controlling interests, as set out on page 3 of the financial statements.

Review of Group Operations

The total equity of the consolidated entity for the year ended 30 June 2012 increased over the previous financial year due to the following:

- Net profit generated by the Franchising Operations segment;
- Profit attributable to increased rental income from franchisees and external tenants;
- Net profit generated by the retail operations in Singapore, Malaysia and Slovenia.

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

In early July 2012, the Company announced the restructure of the Irish and Northern Irish businesses with the aim of reducing future losses and increasing growth. The main features of the restructure include:

- The launch of a large new furniture and bedding store in West Dublin;
- The launch of Harvey Norman Online, a new e-commerce initiative in Ireland and Northern Ireland;
- The closure of the store located at Mullingar, Ireland which has underperformed;
- The reformatting of the Dundalk Outlet store in Ireland to focus on the furniture and bedding categories;
- The reformatting of the two stores in Northern Ireland located at Newtownabbey and Holywood to focus on the furniture and bedding categories.

The consolidated entity is in the process of assessing and quantifying the impact of the proposed restructure and, based on early estimates, does not believe that the costs would have a material impact to the results of the group.

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 2012 and up to the date of this report.

Company Secretary

Mr Chris Mentis, aged 46, is a chartered accountant and became Company Secretary on 20 April 2006. Mr. Mentis has over 25 years experience in financial accounting and has been with the consolidated entity since 1997. Mr. Mentis is a member of the Institute of Chartered Secretaries.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2012 outlines the remuneration arrangements of the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term "executive" includes the Chief Executive Officer (CEO), executive directors and other senior executives of the consolidated entity.

The remuneration report is presented under the following sections:

- Individual key management personnel disclosures
- Remuneration at a glance
- Board oversight of remuneration
- Non-executive director remuneration arrangements
- Executive remuneration arrangements
- Company performance and the link to remuneration
- Executive contractual arrangements

Individual Key Management Personnel Disclosures

Details of KMP of the Company and consolidated entity are set out below.

Key Management Personnel
(i) Directors

Gerald Harvey	Executive Chairman
Kay Lesley Page	Executive Director and Chief Executive Officer
John Evyn Slack-Smith	Executive Director and Chief Operating Officer
David Matthew Ackery	Executive Director
Chris Mentis	Executive Director, Chief Financial Officer and Company Secretary
Christopher Herbert Brown	Non-Executive Director
Michael John Harvey	Non-Executive Director
Ian John Norman	Non-Executive Director
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)
Graham Charles Paton AM	Non-Executive Director (Independent)

(ii) Executives

Martin Anderson	General Manager – Generic Publications Pty Limited
Rodney Orrock	General Manager – Domayne
Thomas James Scott	General Manager – Property
Gordon Ian Dingwall	Chief Information Officer (appointed 1 December 2011 formerly General Manager – Information Technology)

Remuneration At A Glance

The remuneration strategy of the consolidated entity is designed to attract, motivate and retain employees and non-executive directors ("NEDs") by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the consolidated entity.

The remuneration policy is to position total employment cost ("TEC") close to the median of its defined talent market to ensure a competitive offering.

There have been no material changes to the short-term incentive bonus plan ("STI") for the 2012 financial year. For the 2012 performance period, the STI was in the form of a performance cash incentive ("PCI") payment based on attainment of measures including, internal financial budget achievement, operating priorities, retail operations including franchising operations, overseas retail and other non-franchised retail, maintenance and growth of the strategic retail property portfolio and execution of Omni Channel strategic initiatives. In recognition of the performance of the executives during the year, a total of $1,455,000 in PCI was earned by executive directors during the 2012 financial year (2011: $2,250,000).

Long-term incentive awards consisting of share options that vest based on attainment of pre-determined performance goals, subject to conditions, are awarded to select executive directors. On 23 November 2010, shareholders of the

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Company in general meeting approved the grant of 3,000,000 options to subscribe for 3,000,000 fully paid ordinary shares in the Company to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, subject to terms and conditions ("2010 Share Option Plan"). The terms and conditions included the following provisions:

(i) up to one third of the options will be granted within seven (7) days of the meeting and will be exercisable between 1 January 2014 and 30 June 2016 (the "First Tranche");
(ii) up to one third of the options will be granted within seven (7) days of the first anniversary of the meeting and will be exercisable between 1 January 2015 and 30 June 2017 (the "Second Tranche"); and
(iii) up to one third of the options will be granted within seven (7) days of the second anniversary of the meeting and will be exercisable between 1 January 2016 and 30 June 2018 (the "Third Tranche").

For the 2012 financial year, the Company used a combination of financial and non-financial performance measures for the share option awards pursuant to the 2010 Share Option Plan ("LTI"). During the 2012 financial year, the performance hurdles for the 2012 grant of options pursuant to the 2010 Share Option Plan were partially met and 25.0% of the relevant options in respect of the 2012 financial year was determined to meet the performance conditions, subject to the terms and conditions of the 2010 Share Option Plan, including service conditions.

The remuneration of non-executive directors of the Company consists only of directors' fees. Director fees were maintained at a similar level to the prior year.

Board Oversight of Remuneration

Remuneration Committee
The remuneration committee is responsible for making recommendations to the board on the remuneration arrangements for executive directors and NEDs.

The remuneration committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In determining the level and composition of executive remuneration, the remuneration committee has not engaged external consultants to provide independent advice or make any remuneration recommendation.

The remuneration committee comprises three NEDs, two of whom are independent NEDs. Further information on the committee's role, responsibilities and membership can be seen at www.harveynormanholdings.com.au.

Remuneration Approval Process
The board approves the remuneration arrangements of the CEO and executives and all awards made under the LTI, following recommendations from, and certain determinations by, the remuneration committee. The board sets the aggregate remuneration of NEDs, subject to shareholder approval.

The remuneration committee approves, having regard to the recommendations made by the CEO, the level of the consolidated entity STI pool, in the form of PCI, for executive directors.

No director may participate in deliberations about, or decisions, in respect of the remuneration of that director.

Remuneration Strategy
The remuneration strategy of the consolidated entity is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the consolidated entity.

To this end, key objectives of the reward framework of the consolidated entity are to ensure that remuneration practices:

- are aligned to the business strategy of the consolidated entity
- offer competitive remuneration benchmarked against the external market
- provide strong linkage between individual and consolidated entity performance and rewards
- align the interests of executive directors with shareholders through the LTI

Remuneration Structure
In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

Non-Executive Director Remuneration Arrangements

Remuneration Policy
The board seeks to set aggregate remuneration at a level that provides the consolidated entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The board considers published material from external sources and makes its own enquiries when undertaking the annual review process.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2006 annual general meeting (AGM) held on 21 November 2006 when shareholders approved an aggregate NED pool of $1,000,000 per year.

The board will not seek any increase for the NED pool at the 2012 AGM.

Structure

The remuneration of NEDs consists of directors' fees. NEDs do not receive retirement benefits, nor do they participate in any incentive programs. Each NED receives a fee for being a director of the Company. The structure of NED remuneration is separate and distinct from executive remuneration. The remuneration of NEDs for the year ended 30 June 2012 and 30 June 2011 are disclosed in table 1 on page 28 of this report.

Executive Remuneration Arrangements

Remuneration Levels and Mix

The consolidated entity aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity and to align operations with strategy.

The policy of the consolidated entity is to position total employment cost (TEC) so as to ensure a competitive offering. Total reward opportunities are between the 50th and 100th percentile of the comparator group. The Company and the consolidated entity undertakes an annual remuneration review to determine the total remuneration of executives having regard to the circumstances of the consolidated entity.

The CEO's target remuneration mix comprises approximately 75% fixed remuneration and 25% target STI opportunity. The CEO did not have any target LTI during the year. Target remuneration mix of executive directors ranges from 50% to 55% fixed remuneration, 15% to 25% target STI opportunity and 0% to 30% LTI.

Structure

In the 2012 financial year, the executive remuneration framework consisted of the following components:

- Fixed remuneration
- Variable remuneration

The table below illustrates the structure of the executive remuneration arrangements of the consolidated entity:

Remuneration component	Method	Purpose	Link to performance
Fixed remuneration	▪ Represented by total employment cost (TEC). ▪ Comprises base salary, superannuation contributions and other benefits.	▪ Set with reference to role, market and experience. ▪ Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the consolidated entity.	▪ No link to company performance.
STI component	▪ Paid in cash, as PCI.	▪ Rewards executives for their contribution to the achievement of consolidated entity and business unit outcomes, as well as individual key performance indicators (KPIs).	▪ Linked to internal financial and non-financial performance measures including achievement of internal budgets, operating priorities, franchising operations, property priorities and risk management, including execution of Omni Channel strategic initiatives.
LTI component	▪ Awards are made in the form of options pursuant to the 2010 Share Option Plan.	▪ Rewards executive directors (except for Chairman, Mr. G. Harvey and CEO, Ms. K.L. Page) for their contribution to the creation of shareholder value over the longer term.	▪ Vesting of awards is dependent on satisfaction of terms and conditions of the 2010 Share Option Plan.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Fixed Remuneration
Executive contracts of employment do not include any guaranteed base pay increases. TEC of executive directors is reviewed annually by the remuneration committee. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

The fixed component of the remuneration of executive directors is disclosed in Table 1 on page 28 of this report.

Variable Remuneration – Short-Term Incentive (STI)
The consolidated entity operates an annual STI program that is available to executives and awards a cash bonus or PCI, subject to the attainment of clearly defined consolidated entity, business unit and individual measures.

The total potential STI available is set at a level so as to provide sufficient incentive to executive directors to achieve the operational targets and such that the cost to the consolidated entity is reasonable in the circumstances.

Actual STI payments awarded to each executive director depend on the extent to which specific targets in respect of the financial year are met. The targets consist of a number of performance measures covering both financial and non-financial, corporate and individual measures of performance.

Performance measures	Proportion of STI award measure applies to
Financial measure: ▪ Achievement of internal budgets ▪ Reduce the financial accommodation to franchisees	25%
Non-financial measures: ▪ Operating priorities including execution of digital initiatives ▪ Retail operations ▪ Property ▪ Risk management ▪ Execution of Omni Channel strategic initiatives	75%

These measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value.

The aggregate of annual STI payments available for executive directors is subject to review by the remuneration committee. On an annual basis, after consideration of performance measures, the remuneration committee confirms the amount, if any, of the STI to be paid to each executive director. This process usually occurs within three months after the reporting date. Payments made are delivered as a cash bonus or PCI in the following reporting period.

STI Awards for 2011 and 2012 Financial Years
For the 2011 financial year, 100% of the STI performance cash incentive of $2,250,000, as previously accrued in that period, vested in executive directors and was paid in the 2012 financial year. There were no forfeitures. The remuneration committee considered the STI payments for the 2011 financial year in August 2011.

For the 2012 financial year, 100% of the STI performance cash incentive of $1,455,000, as previously accrued in that period, vested in executive directors and is to be paid in the 2013 financial year. There were no forfeitures. The remuneration committee considered the STI payments for the 2012 financial year in September 2012.

There was no alteration to the STI performance cash incentive plan for the year, but performance measures were expanded to include measures relating to:
- Reduce the financial accommodation to franchisees
- Execution of digital initiatives
- Risk management
- Execution of Omni Channel strategic initiatives

Variable Remuneration – Long-Term Incentives (LTI)
LTI awards are made annually to executive directors (other than Chairman, Mr. G. Harvey and CEO, Ms. K.L. Page) in order to align remuneration with the creation of shareholder value over the long-term. LTI awards are only made to executive directors who have an impact on the performance of the consolidated entity against relevant long-term performance measures.

LTI – Share Options
Structure
LTI awards to select executive directors are made under the 2010 Share Option plan and are delivered in the form of share options. Each option entitles the holder to one fully paid ordinary share in the Company. The number and terms and conditions of each issue of options to executive directors was approved by shareholders of the Company in the annual

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

general meeting on 23 November 2010. Options are awarded to select executive directors with more than 12 months service. The options will vest over a period of three years subject to meeting performance measures and service conditions. The exercise price of the options is set at the market price at the date of grant. Executive directors are able to exercise the options up to two years after vesting, before the options lapse, subject to the satisfaction of performance conditions, including service conditions.

Performance Measures to Determine Vesting – First Tranche of Options issued 29 November 2010
Subject to the terms and conditions of the 2010 Share Option Plan, the Company issued 1,000,000 options to subscribe for 1,000,000 fully paid ordinary shares in the Company, at an exercise price of $3.02 per option, on 29 November 2010, to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith ("First Tranche of Options").

Each of the options the subject of the First Tranche of Options is subject to performance conditions. The performance conditions are subject to service conditions and:
(a) as to 30% - to a financial performance condition ("2011 Financial Performance Condition"); and
(b) as to 70% - to non-financial performance conditions ("2011 Non-Financial Performance Conditions").

The 2011 Financial Performance Condition (the "2011 EPS Condition") is:
(a) partly satisfied if the earnings per share growth is 10% per annum or more on a cumulative basis over the earnings per share in respect of the year ended 30 June 2010 ("Base Year"); or
(b) wholly satisfied if the earnings per share growth is 15% per annum or more on a cumulative basis over the earnings per share in respect of the Base Year; and
(c) subject to retesting in accordance with the terms and conditions of the 2010 Share Option Plan.

Earnings per share growth was selected as a performance measure in respect of the 2010 Share Option Plan for reasons which included the following:
(i) rises (or falls) in share prices can often be attributable to general market trends, unrelated to the performance of executives or contribution by executives to the creation of long-term shareholder values;
(ii) long-term value for shareholders is best created by requiring that the executive director team should focus on, and achieve and execute measures, targets and initiatives critical to the execution of the strategic objectives of the company; and
(iii) relevant measures, targets and initiatives will involve both financial and non-financial criteria and flexibility to adjust to changing circumstances, to avoid short-term decision-making.

The 2011 Non-Financial Performance Conditions (the "2011 Critical Success Factors") were weighted:
(a) as to 20% relating to the achievement of key operating priorities including implementation of IT systems within budget and timeframe constraints, operational consistency, and the maintenance, improvement and implementation of risk management programs;
(b) as to 20% relating to the level of operating cash flow and operating budget constraints by reference to cost control;
(c) as to 20% relating to the successful achievement of the integration of any specified developed or acquired discrete business unit;
(d) as to 20% relating to improvements in retailing operations; and
(e) as to 20% relating to the maintenance and growth of the retail property portfolio, by reference to return on equity and completion of any key designated developments within the cost estimates and construction time lines.

The remuneration committee may at any time reduce the number of exercisable options if there is only partial achievement of the performance conditions.

Service conditions in respect of a grantee of the First Tranche of Options will be deemed to be satisfied if at the time of exercise of an option the subject of the First Tranche of Options:
(a) the grantee has not resigned or provided notice of resignation of employment from the Company, except in order to retire from the workplace;
(b) the Company has not terminated the employment of the grantee for cause; or
(c) the board has not determined that the relevant options should lapse as a result of any fraud, gross misconduct or conduct of the grantee which brings the Company into disrepute.

If a grantee has died before a relevant option is exercised, but the performance conditions have been satisfied, the estate of the grantee may exercise the relevant options.

Performance Measures to Determine Vesting – Second Tranche of Options issued 29 November 2011
Subject to the terms and conditions of the 2010 Share Option Plan, on 29 November 2011 the Company issued 1,000,000 options to subscribe for 1,000,000 fully paid ordinary shares in the Company, at an exercise price of $2.03 per option to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith ("Second Tranche of Options"). Details in respect of the awards are set out in table 2 on page 29 of this report.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Each of the options the subject of the Second Tranche of Options is subject to performance conditions. The performance conditions are subject to service conditions and:
(a) as to 30% - to a financial performance condition ("2012 Financial Performance Condition"); and
(b) as to 70% - to non-financial performance conditions ("2012 Non-Financial Performance Conditions").

The 2012 Financial Performance Condition (the "2012 EPS Condition") is:
(a) partly satisfied if the earnings per share growth is 10% per annum or more on a cumulative basis over the earnings per share in respect of the year ended 30 June 2010 ("Base Year"); or
(b) wholly satisfied if the earnings per share growth is 15% per annum or more on a cumulative basis over the earnings per share in respect of the Base Year; and
(c) subject to retesting in accordance with the terms and conditions of the 2010 Share Option Plan.

Earnings per share growth was selected as a performance measure in respect of the 2010 Share Option Plan for reasons which included the following:
(i) rises (or falls) in share prices can often be attributable to general market trends, unrelated to the performance of executives or contribution by executives to the creation of long-term shareholder values;
(ii) long-term value for shareholders is best created by requiring that the executive director team should focus on, and achieve and execute measures, targets and initiatives critical to the execution of the strategic objectives of the company; and
(iii) relevant measures, targets and initiatives will involve both financial and non-financial criteria , and flexibility to adjust to changing circumstances, to avoid short-term decision-making.

The 2012 Non-Financial Performance Conditions (the "2012 Critical Success Factors") were weighted:
(a) as to 20% relating to the achievement of key operating priorities including development of Omni Channel strategic initiatives, improvement in customer engagement and efficiency of systems, and the maintenance, improvement and implementation of risk management programs;
(b) as to 20% relating to the level of operating working capital, inventory control and cost control generally;
(c) as to 20% relating to the successful development and deployment of the digital platform of the Company;
(d) as to 20% relating to improvements in market share and sustainability of retailing operations; and
(e) as to 20% relating to the maintenance and growth of the retail property portfolio.

The remuneration committee may at any time reduce the number of exercisable options if there is only partial achievement of the performance conditions.

Service conditions in respect of a grantee of the Second Tranche of Options will be deemed to be satisfied if at the time of exercise of an option the subject of the Second Tranche of Options:
(a) the grantee has not resigned or provided notice of resignation of employment from the Company, except in order to retire from the workplace;
(b) the Company has not terminated the employment of the grantee for cause; or
(c) the board has not determined that the relevant options should lapse as a result of any fraud, gross misconduct or conduct of the grantee which brings the Company into disrepute.

If a grantee has died before a relevant option is exercised, but the performance conditions have been satisfied, the estate of the grantee may exercise the relevant options.

Termination and Change of Control Provisions

Subject to ASX Listing Rules relevant options may be exercised before their specified exercise date, but only if:
(a) a change of control of the Company happens; or
(b) in special circumstances, including retirement, redundancy, death or permanent disability of the grantee.

Where a participant ceases employment prior to the vesting of their award, the options are forfeited unless the board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period, subject to ultimate board discretion.

LTI Awards for 2012 Financial Year
The Second Tranche of Options under the 2010 Share Option Plan were granted to David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith on 29 November 2011. Details in respect of the awards are set out in table 2 on page 29 of this report.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Independent Valuation of the Second Tranche of Options
The Second Tranche of Options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology. Under this valuation methodology, the value of each option in the Second Tranche of Options was $0.51 per option or $1,530,000 in total.

LTI Awards for Previous Financial Years

LTI Awards for 2011 Financial Year
The First Tranche of Options under the 2010 Share Option Plan were granted to David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith on 29 November 2010.

Independent Valuation of the First Tranche of Options
The First Tranche of Options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology. Under this valuation methodology, the value of each option in the First Tranche of Options was $0.87 per option or $2,610,000 in total.

Hedging of Equity Awards
The Company prohibits executive directors from entering into arrangements to protect the value of unvested LTI awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

Adherence to this policy is monitored on an annual basis and involves each KMP signing an annual declaration of compliance with the hedging policy.

Margin Loans
If a director or executive, acting reasonably, would believe that there will be an unmet margin call or event of default in relation to any margin loan arrangements, the director or executive must immediately disclose to the chairman, company secretary or chief executive officer, full and complete details of the arrangement as is necessary to ensure the Company can comply with continuous disclosure obligations of the Company under ASX Listing Rules and the law.

Satisfaction of Performance Conditions in Respect of First Tranche of Options
The earnings per share in respect of the Company for the year ended 30 June 2011 was $0.2375c. The 2011 EPS Condition was not satisfied but 30% of the First Tranche of Options are still eligible for further testing up to 30 June 2013, subject to the terms and conditions, including service conditions, of the 2010 Share Option Plan.

The remuneration committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquiries, and determined that the 2011 Critical Success Factors had been satisfied as to 54% of the 70% weighting of those 2011 Critical Success Factors, resulting in the vesting of 37.8% of the First Tranche of Options, subject to the terms and conditions, including service conditions, of the 2010 Share Option Plan.

Satisfaction of Performance Conditions in Respect of Second Tranche of Options
The earnings per share in respect of the Company for the year ended 30 June 2012 was $0.1624c. The 2012 EPS Condition was not satisfied.

The remuneration committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquiries, noted that the 2012 Critical Success Factors had been only partially satisfied, noted that the net profit after tax of the consolidated entity was down 31.6% on the 2011 year, and determined, in accordance with the terms and conditions of the 2010 Share Option Plan that as there had been only partial achievement of the relevant performance conditions, to reduce the aggregate number of exercisable options in the Second Tranche of Options to 750,000, as follows:
(a) David Matthew Ackery – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan);
(b) John Evyn Slack-Smith – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan);
(c) Chris Mentis – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan).

Company Performance and the Link to Remuneration

The net profit after tax of the consolidated entity in respect of the year ended 30 June 2012 was down 31.6% on the prior year. The aggregate amount of PCI/STI target remuneration for executive directors in the year ended 30 June 2011 was $2,250,000. The aggregate amount of PCI/STI for executive directors in respect of the year ended 30 June 2012 was $1,455,000, a reduction of 35.3% on the prior year. That reduction in PCI/STI for 2012 resulted from the only partial achievement of 2012 Critical Success Factors and the fact that net profit after tax for the year ended 30 June 2012 was

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

down 31.6% on the prior year. Despite substantial achievement of non-performance measures, targets and initiatives by executive directors, the remuneration committee determined and the board of the Company accepted, the reduction by 35.3% of the aggregate PCI/STI pool for 2012 to $1,455,000 in comparison with the previous year of $2,250,000.

The award of 2012 LTI target remuneration in the form of share option awards to certain executive directors, subject to the terms and conditions of the 2010 Share Option Plan, was approved by shareholders at the annual general meeting of the Company held 23 November 2010. The terms and conditions for the award of 2012 LTI target remuneration in the form of share option awards to certain executive directors, required satisfaction and achievement of both financial (weighted as to 30%) and non-financial (weighted as to 70%) performance measures, including the 2012 Critical Success Factors, subject to Service Conditions (as defined in the 2010 Share Option Plan). The financial measure required an increase on a cumulative basis in earnings per share of at least 10% over the base year ("2012 EPS Condition"). The 2012 EPS Condition was not satisfied, but would otherwise be eligible for further testing up to 30 June 2013. The 2012 LTI non-financial measures included the 2012 Critical Success Factors described on page 24, and were substantially achieved. The terms and conditions of the 2010 Share Option Plan empowered the remuneration committee to determine the question as to whether Non-Financial Performance Conditions have been satisfied.

In addition, the remuneration committee may at any time reduce the number of exercisable options if there is only partial achievement of the performance conditions. The remuneration committee took into account all matters that the remuneration committee considered relevant and determined to reduce the aggregate number of the Second Tranche of Options to 750,000, as follows:

(a) David Matthew Ackery – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the Company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan);

(b) John Evyn Slack-Smith – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the Company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan); and

(c) Chris Mentis – 250,000 options to subscribe for 250,000 fully paid ordinary shares in the Company at an issue price of $2.03 per share, subject only to Service Conditions (as defined in the 2010 Share Option Plan).

The decision of the remuneration committee to reduce the aggregate number of the Second Tranche of Options, because there has been only partial achievement of 2012 performance conditions, has been accepted by the board and executive directors, despite the fact that apart from the determination by the remuneration committee, 30% of the 2012 Options would remain available for retesting pursuant to the financial performance conditions of the 2010 Share Option Plan and the 2012 Non-Financial Performance Conditions were substantially achieved. The reduction in the aggregate amount of the 2012 PCI/STI pool and in the aggregate number of the Second Tranche of Options directly linked the remuneration of executive directors to Company performance.

Executive Contractual Arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below.

Chief Executive Officer

The CEO, Ms. K.L. Page is employed under a rolling contract.

Under the terms of the present contract:

- The CEO receives fixed remuneration of $1,500,000 per annum
- The CEO's maximum STI opportunity in respect of the year ended 30 June 2012 was 25% of annual TEC
- The CEO did not have an LTI target opportunity under her present contract

The CEO's termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Employer-initiated termination	4 weeks	4 weeks	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	4 weeks	4 weeks	Unvested awards forfeited, subject to Board discretion	Unvested awards forfeited subject to board discretion

Minimum Shareholding Requirement

There are no minimum shareholding requirements imposed on the CEO.

Other KMPs

All other KMPs have rolling contracts.

DIRECTOR'S REPORT (CONTINUED)

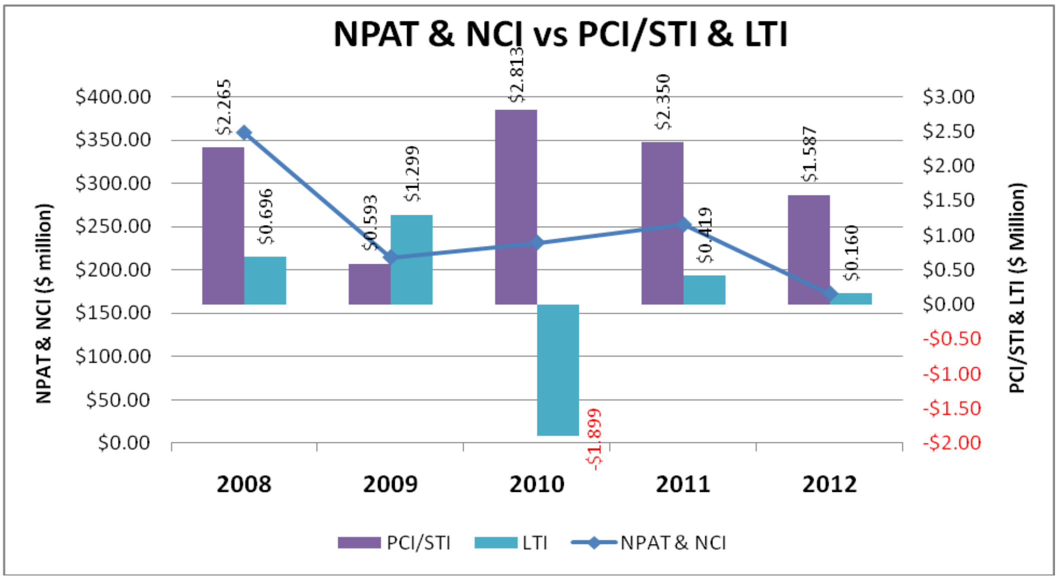
Remuneration Report (Audited) (continued)

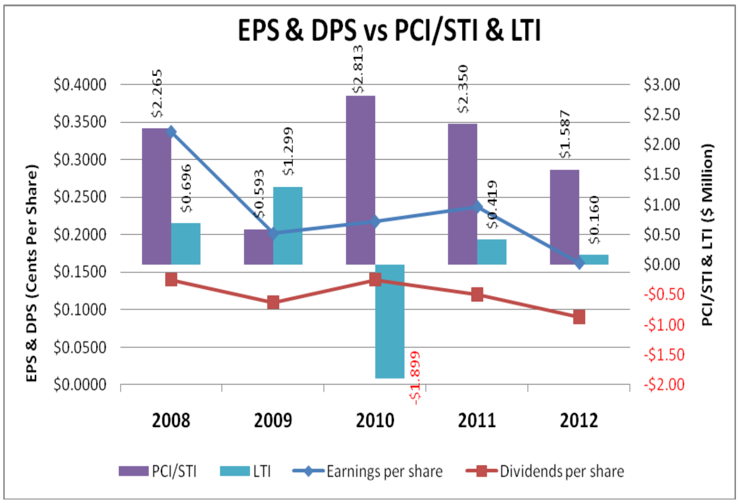
Standard KMP Termination Provisions	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of executive director LTI on termination
Employer-initiated termination	4 weeks	4 weeks	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	4 weeks	4 weeks	Unvested awards forfeited, subject to Board discretion	Unvested awards forfeited subject to board discretion

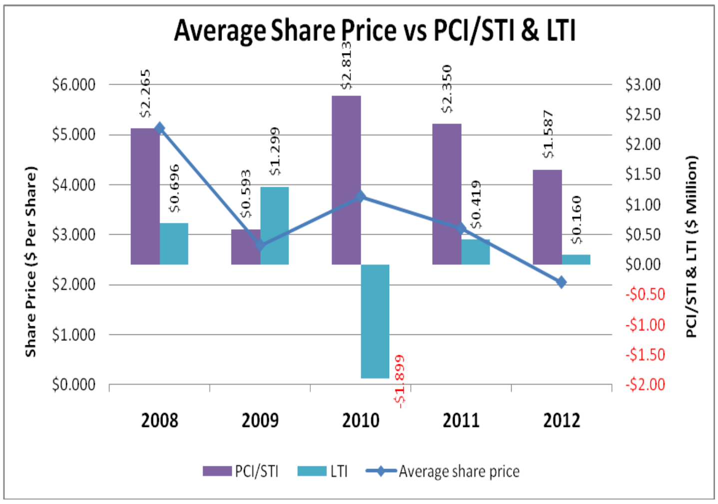
Relationship between Remuneration and the Performance of the Company

The remuneration policies of the Company are intended to motivate directors and employees to pursue relevant short-term goals, long-term growth and success of the Company. The different remuneration components disclosed in table 1 and table 3 in the Remuneration 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 dependent upon satisfaction of the respective service conditions and performance conditions under each of the First Tranche of Options and Second Tranche of Options.

The graphs below illustrate the Company's performance for the past five financial years.







Where: NPAT & NCI = net profit after tax and non-controlling interests; PCI/STI = performance cash incentive / short-term incentive; LTI = long-term incentive; EPS = earnings per share; DPS = dividends per share

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 1: Compensation of Key Management Personnel for the Year Ended 30 June 2012 - Directors of Harvey Norman Holdings Limited:

		Short Term Benefits				Post-Employment	Share-Based Payments		Total Remuneration			
		Salary & fees $	Performance Cash Incentive $	Other Short-Term $	Non monetary benefits $	Super-annuation $	Value of Shares $	Value of Options $	TOTAL $	Reversal of Options Expense (b)	TOTAL $	% of options
G. Harvey	2012	723,825	285,000	10,400	-	15,775	-	-	1,035,000	-	1,035,000	-
Executive Chairman	2011	724,401	400,000	10,400	-	15,199	-	-	1,150,000	-	1,150,000	-
K.L. Page	2012	1,442,830	300,000	-	41,395	15,775	-	-	1,800,000	-	1,800,000	-
Exec Director / CEO	2011	1,441,677	500,000	-	43,124	15,199	-	-	2,000,000	-	2,000,000	-
J.E. Slack-Smith	2012	1,210,525	325,000	-	23,700	15,775	-	263,913	1,838,913	(210,617)	1,628,296	3.3%
Exec Director / COO	2011	1,201,839	500,000	-	32,962	15,199	-	139,544	1,889,544	-	1,889,544	7.4%
D.M. Ackery	2012	1,216,225	325,000	18,000	-	15,775	-	263,913	1,838,913	(210,617)	1,628,296	3.3%
Executive Director	2011	1,216,801	500,000	18,000	-	15,199	-	139,544	1,889,544	-	1,889,544	7.4%
C. Mentis	2012	882,338	220,000	-	51,887	15,775	-	263,913	1,433,913	(210,617)	1,223,296	4.4%
Exec Director / CFO	2011	888,279	350,000	-	46,522	15,199	-	139,544	1,439,544	-	1,439,544	9.7%
A.B. Brew (a)	2012	-	-	-	-	-	-	-	-	-	-	-
	2011	68,816	-	-	5,195	2,533	-	-	76,544	-	76,544	-
M.J. Harvey	2012	110,092	-	-	-	9,908	-	-	120,000	-	120,000	-
Non-Executive Dir	2011	110,092	-	-	-	9,908	-	-	120,000	-	120,000	-
C.H. Brown	2012	110,092	-	-	-	9,908	-	-	120,000	-	120,000	-
Non-Executive Dir	2011	110,092	-	-	-	9,908	-	-	120,000	-	120,000	-
I.J. Norman	2012	18,349	-	-	-	1,651	-	-	20,000	-	20,000	-
Non-Executive Dir	2011	18,349	-	-	-	1,651	-	-	20,000	-	20,000	-
K.W. Gunderson – Briggs	2012	110,093	-	-	-	9,907	-	-	120,000	-	120,000	-
Non-Executive Dir	2011	109,646	-	-	-	10,354	-	-	120,000	-	120,000	-
G.C.Paton	2012	110,092	-	-	-	9,908	-	-	120,000	-	120,000	-
Non-Executive Dir	2011	110,500	-	-	-	9,500	-	-	120,000	-	120,000	-
TOTAL	**2012**	**5,934,461**	**1,455,000**	**28,400**	**116,982**	**120,157**	**-**	**791,739**	**8,446,739**	**(631,851)**	**7,814,888**	**2.05%**
TOTAL	2011	6,000,492	2,250,000	28,400	127,803	119,849	-	418,632	8,945,176	-	8,945,176	4.7%

(a) Mr Brew retired as director of Harvey Norman Holdings Limited on 1 September 2010. The 2011 remuneration for Mr Brew disclosed in Table 1 above is for the period from 1 July 2010 up to the date of retirement, 1 September 2010. Mr. Brew remains an executive employee of Yoogalu Pty Limited, a wholly-owned subsidiary of the Company.

(b) Certain performance conditions in respect of the First Tranche of Options were not satisfied. On 13 June 2012, the Board determined that options over 966,000 shares granted in respect of the First Tranche of Options had lapsed. This resulted in the reversal of the cumulative share based payments expense recognised in respect of the First Tranche of Options totalling $631,851, of which $399,388 was recognised in the year ended 30 June 2012 and $232,463 was recognised in the year ended 30 June 2011.

The listed parent entity, Harvey Norman Holdings Limited, does not have any employees.

DIRECTOR'S REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 2: Options Granted to Executive Directors as Part of Remuneration:

	Options Granted as Remuneration During the Year (a)								Options Lapsed During the Year (b)	
	Grant Date	Grant Number	Value per option at Grant Date $	Total Value of Options Granted During the Year $	First Exercise Date	Last Exercise Date	Number of Options Vested During the Year	Value of Options Exercised During the Year	Number of Options Lapsed During the Year	Value of Options Lapsed During the Year $
J.E. Slack-Smith	29/11/2011	1,000,000	$0.51	$510,000	01/01/2015	30/06/2017	-	-	322,000	$280,140
D.M. Ackery	29/11/2011	1,000,000	$0.51	$510,000	01/01/2015	30/06/2017	-	-	322,000	$280,140
C. Mentis	29/11/2011	1,000,000	$0.51	$510,000	01/01/2015	30/06/2017	-	-	322,000	$280,140
TOTAL		3,000,000		$1,530,000			-	-	966,000	$840,420

(a) Subject to the terms and conditions of the 2010 Share Option Plan, the Company issued 1,000,000 options to subscribe for 1,000,000 fully paid ordinary shares in the Company, at an exercise price of $2.03 per option, on 29 November 2011, to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith ("Second Tranche of Options"). The qualifying period for the Second Tranche of Options is the three years ending 30 June 2014. The Second Tranche of Options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology. Under this valuation methodology, the value of each option in the Second Tranche of Options was $0.51 per option or $1,530,000 in total.

(b) On 13 June 2012 the Company announced that options over 322,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 966,000 options over 966,000 shares, previously granted on 29 November 2010 ("First Tranche of Options") have lapsed and will never be exercisable.

(c) 750,000 options over 750,000 shares of the Second Tranche of Options may be exercised subject to the satisfaction of service conditions and the terms and conditions of the 2010 Share Option Plan. 2,250,000 options over 2,250,000 shares of the Second Tranche of Options cannot be exercised but remain in existence.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 3: Compensation of Key Management Personnel for the Year Ended 30 June 2012 – Executives of Harvey Norman Holdings Limited:

		Short-Term Benefits				Post-Employment	Share-Based Payments		Other		
		Salary & fees $	Performance Cash Incentive $	Other Short-Term $	Non monetary benefits $	Superannuation $	Value of Shares $	Value of Options $	Termination Benefits $	TOTAL $	% of options
R. Orrock	**2012**	**513,638**	**82,400**	**21,162**	**-**	**15,775**	**-**	**-**	**-**	**632,975**	**-**
General Manager: Domayne	2011	513,639	-	21,162	-	15,199	-	-	-	550,000	-
M.L. Anderson	**2012**	**337,252**	**-**	**-**	**21,973**	**15,775**	**-**	**-**	**-**	**375,000**	**-**
General Manager: Advertising	2011	331,618	-	-	21,466	15,199	-	-	-	368,283	-
L.R. Greeff	**2012**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CIO / Program Director – Merchandise Management System Program (a)	2011	366,475	-	-	-	7,600	-	-	226,663	600,738	-
G.I. Dingwall	**2012**	**334,800**	**50,000**	**-**	**-**	**15,775**	**-**	**-**	**-**	**400,575**	**-**
General Manager: IT / CIO (b)	2011	306,269	50,000	-	-	15,199	-	-	-	371,468	-
T.J. Scott	**2012**	**450,000**	**-**	**-**	**-**	**15,775**	**-**	**-**	**-**	**465,775**	**-**
General Manager: Property	2011	384,248	50,000	-	-	15,199	-	-	-	449,447	-
TOTAL KEY MANAGEMENT PERSONNEL 2012		**1,635,690**	**132,400**	**21,162**	**21,973**	**63,100**	**-**	**-**	**-**	**1,874,325**	**-**
TOTAL KEY MANAGEMENT PERSONNEL 2011		1,902,249	100,000	21,162	21,466	68,396	-	-	226,663	2,339,936	-

(a) Mr L. R. Greeff was the Chief Information Officer ("CIO") of Harvey Norman Holdings Limited up to 30 April 2010. He was appointed to Program Director – Merchandise Management System Program on 1 May 2010. Mr. Greeff resigned with effect from 17 December 2010.

(b) Mr G. I. Dingwall was appointed as General Manager – Information Technology on 1 February 2011. On 1 December 2011 he was appointed to Chief Information Officer.

DIRECTOR'S 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 the Company 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.

Corporate Governance

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

Tax Consolidation

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 the 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, the auditors of Harvey Norman Holdings Limited, Ernst & Young, provided non–audit services to Harvey Norman Group entities. In accordance with the recommendation from the Audit Committee of the Company, 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 the recommendation 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 2012 are as follows:

- Tax compliance services $245,057 (2011: $479,655);
- Other services $45,135 (2011: $23,491)

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

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
www.ey.com/au

Auditor's 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 2012, 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

Ernst & Young

Katrina Zdrilic
Partner
Sydney
28 September 2012

Liability limited by a scheme approved under Professional Standards Legislation

Signed in accordance with a resolution of directors.

G. HARVEY
Executive Chairman
Sydney
28 September 2012

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
28 September 2012

CORPORATE GOVERNANCE STATEMENT

The board of directors of Harvey Norman Holdings Limited ("Company") is responsible for establishing the corporate governance framework of the consolidated entity having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations. The board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Recommendation		Comply Yes	Comply No	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
Principle 1 – Lay solid foundations for management and oversight					
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes		Page 35	ASXLR 1.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes		Pages 19-27 & 36	ASXLR 1.2
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes			ASXLR 1.3
Principle 2 – Structure the board to add value					
2.1	A majority of the board should be independent directors.		No	Page 35	ASXLR 2.1
2.2	The chair should be an independent director.		No	Pages 35 & 36	ASXLR 2.2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes		Page 36	ASXLR 2.3
2.4	The board should establish a nomination committee.	Yes		Pages 36 & 37	ASXLR 2.4
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes		Pages 19-27 & 36	ASXLR 2.5
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes			ASXLR 2.6
Principle 3 – Promote ethical and responsible decision-making					
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ▪ The practices necessary to maintain confidence in the company's integrity. ▪ The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. ▪ The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes		Please refer to the website of the Company.	ASXLR 3.1
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Yes		Pages 40 & 41	ASXLR 3.2
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress toward achieving them.		No		ASXLR 3.3
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes		Page 40	ASXLR 3.4
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes			ASXLR 3.5

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation		Comply Yes	Comply No	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
Principle 4 – Safeguard integrity in financial reporting					
4.1	The board should establish an audit committee.	Yes		Page 37	ASXLR 4.1
4.2	The audit committee should be structured so that it: ▪ consists only of non-executive directors ▪ consists of a majority of independent directors ▪ is chaired by an independent chair, who is not chair of the board ▪ has at least three members	Yes		Page 37	ASXLR 4.2 ASXLR 12.7
4.3	The audit committee should have a formal charter.	Yes		Page 37	ASXLR 4.3
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes			ASXLR 4.4
Principle 5 – Make timely and balanced disclosures					
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes		Please refer to the website of the Company.	ASXLR 5.1
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.				ASXLR 5.2
Principle 6 – Respect the rights of shareholders					
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes		Page 39	ASXLR 6.1
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes			ASXLR 6.2
Principle 7 – Recognise and manage risk					
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes		Pages 37 & 38	ASXLR 7.1
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes		Pages 37 & 38	ASXLR 7.2
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes		Page 38	ASXLR 7.3
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes			ASXLR 7.4
Principle 8 – Remunerate fairly and responsibly					
8.1	The board should establish a remuneration committee.	Yes		Pages 20, 38 & 39	ASXLR 8.1
8.2	The remuneration committee should be structured so that it:			Pages 20, 38 & 39	ASXLR 8.2
	▪ consists of a majority of independent directors	Yes			
	▪ is chaired by an independent chair		No		
	▪ has at least three members	Yes			
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes		Pages 19-27, 38 & 39	ASXLR 8.3
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes			ASXLR 8.3

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

	ASX Listing Rule/ Recommendation
The corporate governance practices of the Company were in place throughout the year ended 30 June 2012. Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to the website: www.harveynormanholdings.com.au.	ASXLR 4.10.3

Board functions

The board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. — ASX Rec 1.1

To ensure that the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

The responsibility for the operation and administration of the Company is delegated, by the board, to the CEO and the executive management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive management team.

Whilst at all times the board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the board.

To this end the board has established the following committees: Audit, Nomination, Remuneration and Risk.

The roles and responsibilities of these committees are discussed throughout this corporate governance statement.

The board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risk identified by the board. The board has a number of mechanisms in place to ensure this is achieved including:

(i) Board approval of strategic plans designed to meet stakeholders' needs and manage business risk.
(ii) Ongoing development of strategic plans and approving initiatives and strategies designed to ensure the continued growth and success of the entity.
(iii) Implementation of budgets by management and monitoring progress against budget – via the establishment and reporting of both financial and non financial key performance indicators.

Other functions reserved to the board include:

(i) Approval of the annual and half-yearly financial reports.
(ii) Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
(iii) Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
(iv) Reporting to shareholders.

Structure of the board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the directors' report. The board considers that the present board has an appropriate mix of skills and diversity. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement. — ASX Rec 2.6

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of the Company are considered to be independent: — ASX Rec 2.6

Name	Position
Kenneth William Gunderson-Briggs	Non-Executive Director
Graham Charles Paton	Non-Executive Director

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX Listing Rule/ Recommendation

A majority of the board does not consist of independent directors. The majority of the board consists of executive directors. The board recognises the Corporate Governance Council's recommendation that a majority of the board should consist of independent directors.
The board believes that each executive director is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of that executive director and that the Company as a whole benefits from the long-standing experience of that director in relation to the operations and business relationships of the Company.

The board recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The board further recognises that it can be argued that Mr Gerald Harvey does not meet the definition of independence. — ASX Rec 2.1

The board believes that Mr Gerald Harvey is the most appropriate person to lead the board as Executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

There are procedures in place, agreed by the board, to enable directors in furtherance of their duties to seek independent professional advice at the expense of the Company. — ASX Rec 2.6

The term in office held by each director in office at the date of this report is as follows: — ASX Rec 2.6

Name	Position	Appointed to Board of Company
Gerald Harvey	Executive Chairman	1987
Kay Lesley Page	Executive Director and CEO	1987
John Evyn Slack-Smith	Executive Director and COO	2001
David Matthew Ackery	Executive Director	2005
Chris Mentis	Executive Director and CFO	2007
Ian John Norman	Non-Executive Director	1987
Michael John Harvey	Non-Executive Director	1993
Christopher Herbert Brown	Non-Executive Director	1987
Kenneth William Gunderson-Briggs	Independent Non-Executive Director	2003
Graham Charles Paton	Independent Non-Executive Director	2005

For additional details regarding board appointments, please refer to our website.

Performance

The performance of the board and key executives is reviewed regularly against both measurable and qualitative indicators. During the reporting period, the nomination committee conducted performance evaluations that involved an assessment of the performance of each board member against specific and measurable qualitative and quantitative performance criteria. — ASX Rec 2.5

The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of the Company. Directors whose performance is consistently unsatisfactory may be asked to retire.

Trading policy

Under the Share Trading Policy of the Company, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Before commencing to trade, an executive must first obtain the approval of the Company Secretary or CEO to do so and a director must first obtain approval of the chairman.

Only in exceptional circumstances will approval be forthcoming outside of the period which is 30 days after:

(i) One day following the announcement of the half yearly and full year results as the case may be
(ii) One day following the holding of the Annual General Meeting

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by directors in the securities of the Company.

Nomination committee

The board has established a nomination committee, which meets at least annually, to ensure that the board continues to operate within the established guidelines, including when necessary, — ASX Rec 2.6

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX Listing Rule/ Recommendation

selecting candidates for the position of director. The nomination committee is comprised of non-executive directors, Christopher Herbert Brown (Chairman), Kenneth William Gunderson-Briggs and Graham Charles Paton through the year ended 30 June 2012.

The nomination committee recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The nomination committee further recognises that it can be argued that Mr Christopher Herbert Brown does not meet the definition of independence.

The nomination committee believes that Mr Christopher Herbert Brown is the most appropriate person to lead the nomination committee as non-executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

For details of directors' attendance at meetings of the nomination committee, refer to the directors' report. ASX Rec 2.6

For additional details regarding the nomination committee including its charter please refer to the website of the Company.

Audit committee

The board has established an audit committee, which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated responsibility for oversight of the framework of internal control and ethical standards to the audit committee.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the audit committee are non-executive directors.

The members of the audit committee during the year were:

- Graham Charles Paton (Chairman)
- Christopher Herbert Brown
- Kenneth William Gunderson-Briggs

Qualifications of audit committee members ASX Rec 4.4

- Graham Charles Paton is an experienced certified practising accountant, financially literate and Chairman of the audit committee.
- Christopher Herbert Brown is an experienced solicitor, financially literate and has been a Non-Executive Director of the Company since 1987.
- Kenneth William Gunderson-Briggs is an experienced chartered accountant, financially literate and has been an Independent Non-Executive Director of the Company since 2003.

For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the directors' report. ASX Rec 4.4

For additional details regarding the audit committee, including a copy of its charter, please refer to the website of the Company.

Risk

The board acknowledges the *Revised Supplementary Guidance to Principle 7* issued by the ASX in June 2008 and has continued its proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the approach of the Company to creating long-term shareholder value. ASX Rec 7.1

In recognition of this, the board determines the risk profile of the Company and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The board has established a separate risk committee, to assist the board.

The board oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the Chief Executive Officer,

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX Listing Rule/ Recommendation

including responsibility for the day to day design and implementation of the risk management and internal control system of the Company. Management reports to the board on the key risks of the Company and the extent to which it believes these risks are being adequately managed.

Management is required by the board to carry out risk specific management activities in core areas, including strategic risk, operational risk, reporting risk and compliance risk. It is then required to assess risk management and associated internal compliance and control procedures and report back on the efficiency and effectiveness of these efforts by benchmarking performance in substantially accordance with Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009 Risk Management).

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

(i) Board approval of strategic plans designed to meet stakeholders' needs and manage business risk.

(ii) Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.

As part of its duties, the internal audit function of the Company is responsible for the objective assessment of:

(i) the systems of internal control;

(ii) the risk and control framework; and

(iii) generally, objective assessment of compliance by the Company with risk management protocols of the Company.

In order to ensure the independence of the internal audit function, the head of internal audit meets privately with the audit committee without management present on a regular basis and is responsible for making the final decision on the head of internal audit's tenure.

Underpinning these efforts is a comprehensive set of policies and procedures directed towards achieving the following objectives in relation to the requirements of Principle 7:

(i) Effectiveness and efficiency in the use of the resources of the Company

(ii) Compliance with applicable laws and regulations

(iii) Preparation of reliable published financial information

CEO and CFO certification

In accordance with section 295A of the *Corporations Act*, the chief executive officer and chief financial officer have provided a written statement to the board that:

(i) Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board

(ii) The Company's risk management and internal compliance and control system is operating effectively in all material respects

The board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be answered and completed by the key management personnel of all significant business units, including finance managers, in support of these written statements.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the remuneration committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are: ASX Rec 8.2

(i) Retention and motivation of key executives.

(ii) Attraction of high quality management to the Company.

(iii) Performance incentives that allow executives to share in the success of Harvey Norman Holdings Limited.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

	ASX Listing Rule/ Recommendation
For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained with the directors' report.	ASX Rec 8.3
There is no scheme to provide retirement benefits to non-executive directors.	ASX Rec 8.3
The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the chief executive officer and executive team. The board has established a remuneration committee, comprising three non-executive directors. Members of the remuneration committee throughout the year were Christopher Herbert Brown (Chairman), Kenneth William Gunderson-Briggs and Graham Charles Paton.	ASX Rec 8.1

The remuneration committee recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The remuneration committee further recognises that it can be argued that Mr Christopher Herbert Brown does not meet the definition of independence.

The remuneration committee believes that Mr Christopher Herbert Brown is the most appropriate person to lead the remuneration committee as non-executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to the directors' report.	ASX Rec 8.3

For additional details regarding the remuneration committee, including a copy of its charter, please refer to website of the Company.

Shareholder communication policy

Pursuant to Principle 6, the objective of the Company is to promote effective communication with its shareholders at all times.	ASX Rec 6.2

The Company is committed to:

(i) Ensuring that shareholders and the financial markets are provided with full and timely information about the activities of the Company in a balanced and understandable way.
(ii) Complying with continuous disclosure obligations contained in applicable the ASX listing rules and the *Corporations Act 2001* in Australia.
(iii) Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

(i) Through the release of information to the market via the ASX
(ii) Through the distribution of the annual report and Notices of Annual General Meeting
(iii) Through shareholder meetings and investor relations presentations
(iv) Through letters and other forms of communications directly to shareholders
(v) By posting relevant information to the website of the Company.

The Company's website www.harveynormanholdings.com.au has a dedicated Investor Relations section for the purpose of publishing all important company information and relevant announcements made to the market (refer to the corporation information section of the website).

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Corporate Governance Statement (continued)

Diversity

In accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" in June 2012, the Company established a policy concerning diversity which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The Board is developing measurable objectives for the year ending 30 June 2013, in accordance with that policy. Present measurements are set out below.

Diversity Policies

The Company has established both a Board Diversity Policy and Employee Diversity Policy during the current financial year.

The Company recognises the importance of having a diverse workplace and embraces the corporate benefits that a diverse workforce adds to an organisation. The Company believes that increasing diversity in the Company is essential to producing greater value for its shareholders, as it allows the Company to become more innovative, responsive, productive and competitive.

The Company is committed to promoting an environment that embraces and promotes diversity and that is conducive of the selection of well qualified employees and senior management candidates from diverse backgrounds, experiences and perspectives. The Company recognises that employees of all levels will assume changing domestic responsibilities throughout their careers.

In relation to the Board the Company recognises the importance of having a diverse Board and embraces the corporate benefits that a Board comprising members of diverse backgrounds, experiences and perspectives brings to an organisation. The Company views increasing diversity at board level as essential to producing greater value for its shareholders as it allows the Company become more innovative, responsive, productive and competitive.

The Company is committed to promoting an environment that embraces and promotes diversity and that is conducive of the appointment of well qualified candidates to the Board. The Company recognises that members of the Board will assume changing domestic responsibilities throughout their careers.

Both policies are available on the Company's website.

Present Measurements

The Company presently measures:

1) the number of female and male employees;
2) the different positions held by female and male employees;
3) the number of female and male employees in full time, part time and casual roles; and
4) the salaries of female and male employees and whether a pay gap exists in the Company.

Workforce Gender Profile (2012)

As at 30 June 2012 women represent 41.23% of total employees of the Company, 31.18% of employees in senior executive positions and 10.00% of the Board.

Diversity Objectives 2013

The Company is committed to increasing the participation of women in the Company so as to broaden the talent pool from which future leaders of the Company can be drawn.

The following gender diversity objectives and initiatives have been agreed by the Board for the financial year ended 30 June 2013.

1) Formalise a Flexible Work Policy and a Working From Home Policy.
2) Review the Company's employee diversity survey to include a wider range of questions to obtain more detailed information about the diversity of the composition of the workforce with a view to assessing the progress of the Company towards achieving greater diversity in the workplace.
3) Undertake an annual employee diversity and opinion survey and analyse data collected about the composition of the workforce to assess the progress of the Company towards achieving greater diversity in workplace.
4) Review HR policies and processes to ensure that they are inclusive in nature and do not expressly or implicitly operate in a manner contrary to the Employee Diversity Policy or the Board Diversity Policy.
5) Conduct an annual internal audit of the bullying and harassment training completed by employees and the Board to eliminate bullying and harassment in the workplace.
6) Become a member of Diversity Council Australia to reinforce the Company's commitment to an inclusive culture and diversity in the workplace and to add value to diversity related initiatives.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

7) Hold an event to celebrate International Women's Day on 8 March 2013 to raise awareness of gender equality issues.
8) Continue to develop the Harvey Norman Foundations Program.
9) Undertake a pay equity audit for the year ending 30 June 2013 and analyse data to assess whether a gender pay gap exists in the company.
10) Continue to develop the Learning Management System which assists managers to identify skill gaps of employees and monitors whether compulsory online sexual harassment training has been completed by employees, to eliminate sexual harassment in the workplace.
11) Continue to develop systems to enable regular reporting and assessment of progress towards the adopted gender diversity objectives.
12) Wherever possible include:
    a. at least one female on a short list of applicants for all senior management roles; and
    b. at least one woman in the selection panel for all senior management roles.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	NOTE	CONSOLIDATED 2012 $000	2011 $000
Current Assets			
Cash and cash equivalents	27(a)	172,459	162,779
Trade and other receivables	5	1,017,973	1,065,232
Other financial assets	6	24,396	41,229
Inventories	7	263,421	336,742
Other assets	8	20,161	21,040
Intangible assets	9	531	322
Total current assets		1,498,941	1,627,344
Non-Current Assets			
Trade and other receivables	10	10,556	14,538
Investments accounted for using equity method	36	157,992	158,978
Other financial assets	11	9,355	8,294
Property, plant and equipment	12	536,277	512,479
Investment properties	13	1,653,746	1,601,601
Intangible assets	14	57,442	58,294
Deferred income tax assets	4(d)	27,507	22,481
Total non-current assets		2,452,875	2,376,665
Total Assets		3,951,816	4,004,009
Current Liabilities			
Trade and other payables	15	647,279	854,897
Interest-bearing loans and borrowings	16	234,876	105,275
Income tax payable		13,487	7,366
Other liabilities	17	1,631	1,603
Provisions	18	20,497	25,235
Total current liabilities		917,770	994,376
Non-Current Liabilities			
Interest-bearing loans and borrowings	19	544,471	546,483
Provisions	18	8,954	9,675
Deferred income tax liabilities	4(d)	198,849	208,036
Other liabilities	21	14,890	16,978
Total non-current liabilities		767,164	781,172
Total Liabilities		1,684,934	1,775,548
NET ASSETS		2,266,882	2,228,461
Equity			
Contributed equity	22	259,610	259,610
Reserves	23	19,376	32,621
Retained profits	24	1,956,966	1,901,350
Parent entity interest		2,235,952	2,193,581
Non-controlling interests	25	30,930	34,880
TOTAL EQUITY		2,266,882	2,228,461

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
Sales revenue	2	1,407,342	1,556,384
Cost of sales		(1,025,359)	(1,129,517)
Gross profit		381,983	426,867
Revenues and other income items	2	1,061,233	1,122,459
Distribution expenses		(10,869)	(8,591)
Marketing expenses		(355,456)	(373,314)
Occupancy expenses		(242,986)	(217,637)
Administrative expenses		(404,228)	(447,951)
Other expenses from ordinary activities		(164,050)	(102,960)
Finance costs	3	(49,455)	(42,984)
Share of equity accounted entities:			
- Share of net profit of joint venture entities (a)	36	13,742	17,888
- Share of joint venture property revaluation (a)	36	(2,505)	158
Profit before income tax		227,409	373,935
Income tax expense	4(a)	(51,094)	(114,315)
Profit after tax		176,315	259,620
Attributable to:			
Owners of the parent		172,471	252,255
Non-controlling interests		3,844	7,365
		176,315	259,620
Earnings Per Share:			
Basic earnings per share (cents per share)	26	16.24 cents	23.75 cents
Diluted earnings per share (cents per share)	26	16.24 cents	23.75 cents
Dividends per share (cents per share)		9.0 cents	12.0 cents

(a) The total share of net profit of joint venture entities, including the share of joint venture property revaluation, was $11.24 million before tax for the year ended 30 June 2012 (June 2011: $18.05 million before tax).

The above Income Statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	CONSOLIDATED	
	2012	2011
	$000	$000
Profit for the year	176,315	259,620
Other comprehensive income		
Foreign currency translation	1,402	(23,756)
Net fair value gains on available-for-sale investments	1,027	973
Cash flow hedges:		
- (Losses) / gains taken to equity	(18,741)	567
- Transferred realised gains / (losses) to other income	100	(57)
- Transferred to Statement of Financial Position	(4)	(4)
Fair value revaluation of land and buildings	9,040	(544)
Income tax on items of other comprehensive income	2,223	(1,988)
Other comprehensive income for the year (net of tax)	(4,953)	(24,809)
Total comprehensive income for the year	171,362	234,811
Total comprehensive income attributable to:		
- Owners of the parent	166,713	235,315
- Non-controlling interests	4,649	(504)
	171,362	234,811

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Attributable to Equity Holders of the Parent									
	Contributed Equity	Retained Profits	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve	Employee Equity Benefits Reserve	Acquisition Reserve	Non-controlling Interests	TOTAL EQUITY
	$000	$000	$000	$000	$000	$000	$000	$000	$000	**$000**
At 1 July 2011	259,610	1,901,350	66,557	(35,934)	2,327	(864)	7,452	(6,917)	34,880	**2,228,461**
Other comprehensive income:										
Revaluation of land and buildings	-	-	5,672	-	-	-	-	-	(32)	**5,640**
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	95	-	-	-	**95**
Currency translation differences	-	-	-	565	-	-	-	-	837	**1,402**
Fair value of interest rate swaps	-	-	-	-	-	(13,091)	-	-	-	**(13,091)**
Fair value of forward foreign exchange contracts	-	-	-	-	-	(26)	-	-	-	**(26)**
Fair value of available for sale financial assets	-	-	-	-	1,027	-	-	-	-	**1,027**
Other comprehensive income	-	-	5,672	565	1,027	(13,022)	-	-	805	**(4,953)**
Profit for the year	-	172,471	-	-	-	-	-	-	3,844	**176,315**
Total comprehensive income for the year	**-**	**172,471**	**5,672**	**565**	**1,027**	**(13,022)**	**-**	**-**	**4,649**	**171,362**
Shareholder equity contribution	-	-	-	-	-	-	-	-	1,500	**1,500**
Change in control of controlled entities	-	-	-	-	-	-	-	-	(4,521)	**(4,521)**
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(7,821)	-	**(7,821)**
Cost of share based payments	-	-	-	-	-	-	334	-	-	**334**
Dividends paid	-	(116,855)	-	-	-	-	-	-	(4,248)	**(121,103)**
Distribution to members	-	-	-	-	-	-	-	-	(1,330)	**(1,330)**
At 30 June 2012	**259,610**	**1,956,966**	**72,229**	**(35,369)**	**3,354**	**(13,886)**	**7,786**	**(14,738)**	**30,930**	**2,266,882**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012 (CONTINUED)

	Attributable to Equity Holders of the Parent									
	Contributed Equity	Retained Profits	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve	Employee Equity Benefits Reserve	Acquisition Reserve	Non-controlling Interests	TOTAL EQUITY
	$000	$000	$000	$000	$000	$000	$000	$000	$000	**$000**
At 1 July 2010	259,610	1,787,196	68,980	(20,107)	1,354	(1,201)	7,392	-	53,987	**2,157,211**
Other comprehensive income:										
Revaluation of land and buildings	-	-	(2,423)	-	-	-	-	-	60	**(2,363)**
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	(61)	-	-	-	**(61)**
Currency translation differences	-	-	-	(15,827)	-	-	-	-	(7,929)	**(23,756)**
Fair value of forward foreign exchange contracts	-	-	-	-	-	4	-	-	-	**4**
Fair value of interest rate swaps	-	-	-	-	-	394	-	-	-	**394**
Fair value of available for sale financial assets	-	-	-	-	973	-	-	-	-	**973**
Other comprehensive income	-	-	(2,423)	(15,827)	973	337	-	-	(7,869)	**(24,809)**
Profit for the year	-	252,255	-	-	-	-	-	-	7,365	**259,620**
Total comprehensive income for the year	**-**	**252,255**	**(2,423)**	**(15,827)**	**973**	**337**	**-**	**-**	**(504)**	**234,811**
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(6,917)	(13,992)	**(20,909)**
Cost of share based payments	-	-	-	-	-	-	419	-	-	**419**
Reversal of share expenses	-	-	-	-	-	-	(359)	-	-	**(359)**
Dividends paid	-	(138,101)	-	-	-	-	-	-	(4,611)	**(142,712)**
At 30 June 2011	**259,610**	**1,901,350**	**66,557**	**(35,934)**	**2,327**	**(864)**	**7,452**	**(6,917)**	**34,880**	**2,228,461**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	CONSOLIDATED 2012 $000	2011 $000
Cash Flows from Operating Activities		Inflows / (Outflows)	
Net receipts from franchisees	A	757,348	998,052
Receipts from customers	B	1,463,238	1,634,885
Payments to suppliers and employees	C	(1,905,301)	(2,130,828)
Distributions received from joint ventures	D	12,651	37,217
GST paid	E	(33,963)	(22,294)
Interest received		9,422	7,738
Interest and other costs of finance paid	F	(49,340)	(43,045)
Income taxes paid		(57,016)	(126,924)
Dividends received		2,919	2,587
Cash flows from operation activities prior to consumer finance related cash flows		199,958	357,388
Consumer finance related cash flows:			
Consumer finance loans granted by the consolidated entity		(918)	(1,330)
Repayments received from consumers on consumer finance loans granted by the consolidated entity		1,905	2,915
Consumer finance related cash flows		987	1,585
Net Cash Flows from Operating Activities	27 (b)	200,945	358,973
Cash Flows from Investing Activities			
Payment for purchases of property, plant and equipment and intangible assets	G	(108,547)	(170,783)
Payment for the purchase of Investment properties	G	(88,631)	(172,709)
Proceeds from sale of property, plant and equipment		5,322	5,836
Payment for the purchase of units in unit trusts		(195)	(4)
Payments for purchase of equity investments	H	(222)	(5,643)
Proceeds from sale of listed securities		18,941	4,838
Loans repaid from / (granted to) other entities		2,260	(6,776)
Net Cash Flows Used in Investing Activities		(171,072)	(366,726)
Cash Flows from Financing Activities			
Payment for purchase of shares in a controlled entity	I	(12,101)	(21,485)
Proceeds from Syndicated Facility and Syndicated Working Capital Facility	J	104,100	164,500
Dividends paid		(116,855)	(138,101)
Repayment of loans from directors and other persons		(1,211)	(1,149)
Proceeds from borrowings	J	17,558	322
Net Cash Flows (Used in) / From Financing Activities		(8,509)	25,572
Net increase in Cash and Cash Equivalents		21,364	17,819
Cash and Cash Equivalents at Beginning of the Year		118,729	100,910
Cash and Cash Equivalents at End of the Year	27 (a)	140,093	118,729

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012 (CONTINUED)

Commentary to the Statement of Cash Flows:

<A> Net receipts from franchisees decreased by $180.33 million compared to the previous year partly attributed to the reduction in total revenue received from franchisees from $989.04 million for the prior year to $945.64 million for the year ended 30 June 2012, a decrease of $43.40 million or 4.4% (refer note 2).

Cash flows from operating activities are also affected by movement in franchisee working capital loans receivable as at 30 June 2012 relative to the previous corresponding period. The aggregate amount of loans advanced to franchisees as at 30 June 2012 exceeded the aggregate amount of loans advanced to franchisees as at 30 June 2011 by $135.55 million. This is primarily due to a lower rate of reduction in franchisee loan balances from reduced cash receipts from franchisee sales and a higher level of tactical support provided to franchisees which offset the reduced outflows from inventory and working capital management. The aggregate amount of tactical support for the current year was $124.19 million compared to $60.37 million for the previous year, an increase of $63.82 million.

<B> Sales revenue to external customers derived by company-operated stores decreased for the year ended 30 June 2012 relative to the previous year due to the closure of seven (7) Clive Peeters and Rick Hart stores and the conversion of the remaining eighteen (18) Clive Peeters and Rick Hart stores to the franchised model during the first half of the financial year. The sale of Clive Peeters and Rick Hart inventory upon conversion to the franchised model was made via several working capital advances to franchisees and not settled in cash.

The reductions were offset by the opening of five (5) new stores in offshore markets located in Maribor, Slovenia Zagreb, Croatia and Malaysia.

<C> The decrease in payments to suppliers and employees is due to the closure of seven (7) Clive Peeters and Rick Hart stores and the conversion of the remaining eighteen (18) Clive Peeters and Rick Hart stores to the franchised model during the current year. The consolidated entity continues to focus on the prudent management of working capital and has made a concerted effort to effectively manage inventory and control operating costs in a difficult retail climate.

<D> The decrease in distributions received from joint venture entities is because the prior year balance included proceeds received from the sale of a development property located in Mentone, Victoria.

<E> Net GST payments increased by $11.67 million in the year ended 30 June 2012 compared to the prior year. The previous year contained higher GST input tax credits (cash inflows) resulting from increased real property acquisitions and developments.

<F> Interest and other costs of finance paid increased by $6.30 million due to an increase in the utilised portion of the Syndicated Facilities and other short term borrowings in Australia and the increase in commercial bill facilities utilised by overseas controlled entities. During the current year, the consolidated entity has entered into a further separate agreement with certain banks in relation to a loan facility of $85.00 million (the "Syndicated Working Capital Facility").

<G> Payments for the purchases of property, plant and equipment, intangible assets and investment properties decreased by $146.31 million relative to the previous year. Higher payments in the prior year were attributable to several significant property acquisitions including the At Home Centre at Penrith, the new development under construction at Springvale, Victoria, the Space Asian showroom in Singapore and the acquisition of plant and equipment assets from the former owners of Clive Peeters and Rick Hart.

<H> The decrease in payments for the purchase of equity investments is because the prior year balance included capital contributions required for a mining camp joint venture in Queensland of $4.76 million.

<I> During the current year, the consolidated entity acquired an additional 12,592,150 shares in Pertama Holdings Limited, Singapore for a total purchase consideration of $6.32 million. The consolidated entity also acquired a further 24.9% interest in a controlled entity for a total purchase consideration of $5.78 million.

<J> The utilised Syndicated Facility and Syndicated Working Capital Facility increased to $590.00 million during the year ended 30 June 2012 to fund operating activities (refer to Notes 16 & 19 for further information on these facilities).

OPERATING SEGMENTS

OPERATING SEGMENTS – 30 June 2012

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the nature of services are provided and country of origin. Discrete financial information about each of these operating segments is reported to the executive management team on a monthly basis. The reportable segments are based on aggregated operating segments determined by the similarity of the services provided or country of origin, as these are the sources of the consolidated entity's major risks and have the most effect on the rates of return.

SEGMENT REVENUE	Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Share of Net Profit/(Loss) of Equity Accounted Investments	**Segment Revenue**
	June 2012 $000	June 2012 $000	June 2012 $000	**June 2012 $000**
FRANCHISING OPERATIONS	4,546	853,466	-	**858,012**
Retail – New Zealand	544,324	10,180	-	**554,504**
Retail – Asia	342,213	3,308	-	**345,521**
Retail – Slovenia & Croatia	84,136	731	-	**84,867**
Retail – Ireland & Northern Ireland	191,340	3,654	-	**194,994**
Non-Franchised Retail – Clive Peeters & Rick Hart	134,412	9,496	-	**143,908**
Other Non-Franchised Retail	106,260	3,282	-	**109,542**
TOTAL RETAIL	1,402,685	30,651	-	**1,433,336**
Retail Property	111	180,650	13,558	**194,319**
Property Under Construction for Retail	-	11	479	**490**
Property Development for Resale	-	10,913	(295)	**10,618**
TOTAL PROPERTY	111	191,574	13,742	**205,427**
Equity Investments	-	4,095	-	**4,095**
Other	-	12,872	-	**12,872**
Inter-company eliminations	-	(31,425)	-	**(31,425)**
Total Segment Revenue	**1,407,342**	**1,061,233**	**13,742**	**2,482,317**

Operating Segments (continued)

Operating Segments – 30 June 2012 (continued)

SEGMENT RESULT	Segment Result Before Interest, Taxation, Depreciation, Impairment & Amortisation	Interest Expense	Depreciation Expense	Amortisation & Impairment Expense	**Segment Result Before Tax**
	June 2012 $000	June 2012 $000	June 2012 $000	June 2012 $000	**June 2012 $000**
FRANCHISING OPERATIONS	202,813	(15,274)	(50,943)	(9,613)	**126,983**
Retail – New Zealand	46,077	(70)	(6,839)	(36)	**39,132**
Retail – Asia	13,763	637	(4,932)	(28)	**9,440**
Retail – Slovenia & Croatia	5,242	(1,495)	(1,271)	(48)	**2,428**
Retail – Ireland & Northern Ireland	(27,501)	(3,385)	(2,641)	(509)	**(34,036)**
Non-Franchised Retail – Clive Peeters & Rick Hart	(13,120)	(776)	(895)	-	**(14,791)**
Other Non-Franchised Retail	10,653	(1,461)	(1,516)	(149)	**7,527**
TOTAL RETAIL	35,114	(6,550)	(18,094)	(770)	**9,700**
Retail Property	124,814	(25,611)	(4,749)	-	**94,454**
Property Under Construction for Retail	(18,254)	(1,250)	-	-	**(19,504)**
Property Development for Resale	9,974	(489)	-	-	**9,485**
TOTAL PROPERTY	116,534	(27,350)	(4,749)	-	**84,435**
Equity Investments	4,784	(375)	-	-	**4,409**
Other	9,742	(963)	(4,455)	(2,442)	**1,882**
Inter-company eliminations	(1,057)	1,057	-	-	-
Total Segment Result Before Tax	**367,930**	**(49,455)**	**(78,241)**	**(12,825)**	**227,409**
Income tax expense					**(51,094)**
Profit attributable to non-controlling interests					**(3,844)**
Net Profit for the Year Attributable to Owners of the Parent					**172,471**

OPERATING SEGMENTS (CONTINUED)

Operating Segments – 30 June 2012 (continued)

	SEGMENT ASSETS			SEGMENT LIABILITIES		
	Segment Assets	Inter-company Eliminations	**Segment Assets After Eliminations**	Segment Liabilities	Inter-company Eliminations	**Segment Liabilities After Eliminations**
	2012 $000	2012 $000	**2012 $000**	2012 $000	2012 $000	**2012 $000**
FRANCHISING OPERATIONS	3,098,231	(1,852,155)	**1,246,076**	1,341,590	(494,960)	**846,630**
Retail – New Zealand	192,793	-	**192,793**	45,136	(960)	**44,176**
Retail – Asia	129,060	-	**129,060**	76,666	(28,009)	**48,657**
Retail – Slovenia & Croatia	36,994	(1,578)	**35,416**	33,650	(5)	**33,645**
Retail – Ireland & Northern Ireland	46,585	-	**46,585**	210,840	(163,010)	**47,830**
Non-Franchised Retail – Clive Peeters and Rick Hart	11,179	(10,042)	**1,137**	52,889	(52,333)	**556**
Other Non-Franchised Retail	71,002	(14,160)	**56,842**	96,432	(64,770)	**31,662**
TOTAL RETAIL	487,613	(25,780)	**461,833**	515,613	(309,087)	**206,526**
Retail Property	2,055,693	(53,867)	**2,001,826**	1,361,110	(980,995)	**380,115**
Property Under Construction for Retail	84,505	(142)	**84,363**	91,631	(75,970)	**15,661**
Property Development for Resale	33,049	(44)	**33,005**	44,433	(38,306)	**6,127**
TOTAL PROPERTY	2,173,247	(54,053)	**2,119,194**	1,497,174	(1,095,271)	**401,903**
Equity Investments	32,290	-	**32,290**	4,659	-	**4,659**
Other	112,418	(47,502)	**64,916**	93,052	(80,172)	**12,880**
CONSOLIDATED	5,903,799	(1,979,490)	3,924,309	3,452,088	(1,979,490)	**1,472,598**
Unallocated			27,507			**212,336**
TOTAL			3,951,816			1,684,934

OPERATING SEGMENTS (CONTINUED)

OPERATING SEGMENTS – 30 June 2011

SEGMENT REVENUE	Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Share of Joint Venture Revaluation	Share of Net Profit/(Loss) of Equity Accounted Investments	**Segment Revenue**
	June 2011 $000	June 2011 $000	June 2011 $000	June 2011 $000	**June 2011 $000**
FRANCHISING OPERATIONS	3,836	914,656	-	-	**918,492**
Retail – New Zealand	557,959	11,986	-	-	**569,945**
Retail – Asia	343,901	2,519	-	-	**346,420**
Retail – Slovenia	66,395	406	-	-	**66,801**
Retail – Ireland & Northern Ireland	191,903	3,161	-	-	**195,064**
Non-Franchised Retail – Clive Peeters and Rick Hart	279,663	12,677	-	-	**292,340**
Other Non-Franchised Retail	112,578	2,738	-	-	**115,316**
TOTAL RETAIL	1,552,399	33,487	-	-	**1,585,886**
Retail Property	149	183,926	-	9,958	**194,033**
Property Under Construction for Retail	-	(1,133)	-	367	**(766)**
Property Development for Resale	-	(6,023)	158	7,563	**1,698**
TOTAL PROPERTY	149	176,770	158	17,888	**194,965**
Equity Investments	-	14,657	-	-	**14,657**
Other	-	12,248	-	-	**12,248**
Inter-company eliminations	-	(29,359)	-	-	**(29,359)**
Total Segment Revenue	**1,556,384**	**1,122,459**	**158**	**17,888**	**2,696,889**

OPERATING SEGMENTS (CONTINUED)

Operating Segments – 30 June 2011 (continued)

SEGMENT RESULT	Segment Result Before Interest, Taxation, Depreciation, Impairment & Amortisation	Interest Expense	Depreciation Expense	Amortisation & Impairment Expense	**Segment Result Before Tax**
	June 2011 $000	June 2011 $000	June 2011 $000	June 2011 $000	**June 2011 $000**
FRANCHISING OPERATIONS	332,459	(15,887)	(54,925)	(7,055)	**254,592**
Retail – New Zealand	49,963	(416)	(6,748)	(22)	**42,777**
Retail – Asia	16,952	(828)	(2,991)	(83)	**13,050**
Retail – Slovenia	7,267	(1,055)	(811)	(27)	**5,374**
Retail – Ireland & Northern Ireland	(31,654)	(2,565)	(3,407)	(968)	**(38,594)**
Non-Franchised Retail – Clive Peeters and Rick Hart	(37,085)	(737)	(2,871)	(375)	**(41,068)**
Other Non-Franchised Retail	11,312	(1,704)	(1,516)	(221)	**7,871**
TOTAL RETAIL	16,755	(7,305)	(18,344)	(1,696)	**(10,590)**
Retail Property	139,765	(17,738)	(3,810)	-	**118,217**
Property Under Construction for Retail	(3,899)	(2,314)	(289)	-	**(6,502)**
Property Development for Resale	683	(380)	-	-	**303**
TOTAL PROPERTY	136,549	(20,432)	(4,099)	-	**112,018**
Equity Investments	14,657	(488)	-	-	**14,169**
Other	9,897	(832)	(4,226)	(1,093)	**3,746**
Inter-company eliminations	(1,960)	1,960	-	-	-
Total Segment Result Before Tax	**508,357**	**(42,984)**	**(81,594)**	**(9,844)**	373,935
Income tax expense					(114,315)
Profit attributable to non-controlling interests					(7,365)
Net Profit for the Year Attributable to Owners of the Parent					252,255

OPERATING SEGMENTS (CONTINUED)

Operating Segments – 30 June 2011 (continued)

	SEGMENT ASSETS			SEGMENT LIABILITIES		
	Segment Assets	Inter-company Eliminations	**Segment Assets After Eliminations**	Segment Liabilities	Inter-company Eliminations	**Segment Liabilities After Eliminations**
	2011 $000	2011 $000	**2011 $000**	2011 $000	2011 $000	**2011 $000**
FRANCHISING OPERATIONS	3,299,119	(2,003,809)	**1,295,310**	1,556,043	(594,789)	**961,254**
Retail – New Zealand	161,842	-	**161,842**	44,293	(1,071)	**43,222**
Retail – Asia	131,981	-	**131,981**	73,325	(24,125)	**49,200**
Retail – Slovenia	23,667	-	**23,667**	19,146	217	**19,363**
Retail – Ireland & Northern Ireland	53,343	-	**53,343**	197,175	(129,331)	**67,844**
Non-Franchised Retail – Clive Peeters and Rick Hart	96,135	-	**96,135**	137,695	(65,940)	**71,755**
Other Non-Franchised Retail	76,116	(24,454)	**51,662**	99,639	(68,780)	**30,859**
TOTAL RETAIL	543,084	(24,454)	**518,630**	571,273	(289,030)	**282,243**
Retail Property	1,784,562	(13,938)	**1,770,624**	1,162,629	(927,496)	**235,133**
Property Under Construction for Retail	246,468	(6,119)	**240,349**	232,477	(174,091)	**58,386**
Property Development for Resale	50,903	(16,951)	**33,952**	44,298	(39,147)	**5,151**
TOTAL PROPERTY	2,081,933	(37,008)	**2,044,925**	1,439,404	(1,140,734)	**298,670**
Equity Investments	48,251	-	**48,251**	6,398	-	**6,398**
Other	119,156	(44,744)	**74,412**	97,043	(85,462)	**11,581**
CONSOLIDATED	6,091,543	(2,110,015)	**3,981,528**	3,670,161	(2,110,015)	**1,560,146**
Unallocated			**22,481**			**215,402**
TOTAL			**4,004,009**			**1,775,548**

OPERATING SEGMENTS (CONTINUED)

The consolidated entity operates predominantly in twelve (12) primary segments:

Operating 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 – Asia	Consists of the controlling interest of the consolidated entity in the retail trading operations in Singapore and Malaysia under the Harvey Norman and Space brand names.
Retail – Slovenia & Croatia	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in Slovenia and Croatia under the Harvey Norman brand name.
Retail – Ireland & Northern Ireland	Consists of the wholly-owned operations of the consolidated entity in Ireland and Northern Ireland.
Non-Franchised Retail – Clive Peeters & Rick Hart	Consists of the wholly-owned operations of the consolidated entity under the Clive Peeters and Rick Hart brands prior to the restructure in August 2011.
Non-Franchised Retail	Consists of the retail trading operations in Australia which are controlled by the consolidated entity and do not include any operations of Harvey Norman franchisees. This segment includes the Space brand in Malaysia.
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, outgoings recovered and the net property revaluation increments and/or decrements recognised in the Income Statement 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 operations.
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 operations.
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.
Equity Investments	This segment refers to the trading of, and investment in, listed securities.
Other	This segment primarily relates to credit facilities provided to third parties and other unallocated income and expense items.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Significant Accounting Policies

(a) Corporate Information

Harvey Norman Holdings Limited (the "Company") is a company limited by shares incorporated in Australia and operating in Australia, New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia whose shares are publicly traded on the Australian stock exchange (trading under the symbol HVN).

(b) Basis of Preparation

The financial report has been prepared on a historical cost basis, except for investment properties, completed land and buildings, derivative financial instruments, listed shares held for trading and available-for-sale investments, which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

The financial report of the consolidated entity for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 28 September 2012.

(c) Statement of Compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and interpretations, and complies with other requirements of the law. The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the annual reporting period ended 30 June 2012. For details on the impact of future accounting standards, refer to page 69.

(d) Summary of Significant Accounting Policies

(i) Significant accounting judgements, estimates and assumptions

Significant Accounting Judgements:

In applying the consolidated entity's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the consolidated entity. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Operating lease commitments – consolidated entity as lessor

The entity has entered into commercial property leases on its investment property portfolio. The entity has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Significant accounting judgements, estimates and assumptions (continued)

Significant Accounting Estimates and Assumptions:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Revaluation of investment properties

The consolidated entity values investment properties at fair value. The valuations are determined by either appropriately qualified independent valuers or directors' valuations. The properties are valued using market rental returns and capitalisation rates deemed appropriate for a 30-day rental agreement. Refer to Note 13 for further details.

Revaluation of investment properties under construction

Investment property under construction is valued at fair value if it can be reliably determined. If a fair value cannot be determined, then investment property under construction is measured at cost. The fair value of investment property under construction is calculated using the capitalisation method of valuation.

Impairment of non-financial assets other than goodwill

The consolidated entity assesses impairment of all assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

Make good provisions

Provision is made for the anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with dismantling and removing the assets and restoring the leased premises according to contractual arrangements. These future cost estimates are discounted to their present value. The related carrying amounts are disclosed in Note 18.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms or beyond the terms specified in the loan agreement, the likelihood of the recovery of these receivables are assessed by management.

For trade receivables, due to the large number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts. Non-trade debts receivable are assessed on an individual basis if impairment indicators are present. The impairment loss is outlined in Note 3.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of Harvey Norman Holdings Limited and its controlled entities (the "consolidated entity").

The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies. Investments in wholly-owned subsidiaries are carried at cost less accumulated impairment losses in the separate financial statements of the parent.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Basis of consolidation (continued)

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Franchisees are not controlled by the consolidated entity and have not been consolidated. Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity.

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.

The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the consolidated entity’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income.

(iii) Investments accounted for using equity method

Interests in associated and joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. 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. After application of the equity method, the consolidated entity determines whether it is necessary to recognise any impairment loss with respect to the entity’s net investment in the joint venture entities.

(iv) Foreign currency translation

Both the functional and presentation currency of Harvey Norman Holdings Limited and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date.

All differences in the consolidated financial report are taken to the income statement in the period they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Foreign currency translation (continued)

The functional currency of overseas subsidiaries is the currency commonly used in their respective countries. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Harvey Norman Holdings Limited at the rate of exchange ruling at the balance date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity called the foreign currency translation reserve ("FCTR"). On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(v) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Land – not depreciated
- Leasehold land – lease term
- Buildings under construction – not depreciated
- Buildings – 20 to 40 years
- Owned plant and equipment – 3 to 20 years
- Plant and equipment under finance lease – 1 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For plant and equipment, impairment losses are recognised in the income statement. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Properties in New Zealand, Slovenia and Singapore owned by the consolidated entity, upon any revaluation, are valued at fair value, determined by independent licensed valuers, in accordance with the respective local statutory requirements.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Property, plant and equipment (continued)

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense when incurred.

(vii) Investment properties

Completed Investment Property

Initially, investment properties, which is property held to earn rentals and / or for capital appreciation are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the income statement in the period of derecognition.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Properties in 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. Properties in ACT have been accounted for as investment properties as they are primarily held to earn rental income.

Each investment property is valued at fair value. Each investment property is the subject of a lease or licence in favour of independent third parties, including franchisees. Franchisees occupy properties pursuant to a licence for an initial term of 30 days, thereafter terminable at will. The fair value in respect of each investment property has been calculated using the capitalisation method of valuation, against current market rental value, and having regard to, in respect of each property:

- the highest and best use
- quality of construction
- age and condition of improvements
- recent market sales data in respect of comparable properties
- current market rental value, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction
- tenure of Harvey Norman franchisees and external tenants
- adaptive reuse of buildings
- the specific circumstances of the property not included in any of the above points
- non-reliance on turnover rent

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vii) Investment properties (continued)

Investment Properties under Construction

Investment properties under construction are valued at fair value if fair value can be reliably determined. The assessment of fair value may be based on an internal assessment conducted by the Board of the Company which may engage independent, qualified valuers to assist in the valuation process. The fair value of investment property under construction is calculated using the capitalisation method of valuation.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(viii) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Impairment losses recognised for goodwill are not subsequently reversed.

(ix) Intangible assets

Intangible assets, consisting of capitalised computer software assets and licence property, are initially recorded at cost and are amortised on a straight line basis over their estimated useful lives but not greater than a period of seven and a half (7.5) years.

Intangible assets are tested for impairment where an indicator of impairment exists, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the income statement when the intangible asset is derecognised.

(x) Impairment of non-financial assets

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Impairment of non-financial assets (continued)

The consolidated entity bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the consolidated entity's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired assets, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the consolidated entity estimates the asset's or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(xi) Financial instruments – initial recognition and subsequent measurement

Financial Assets

Financial assets in the scope of *AASB 139 Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The consolidated entity determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

The consolidated entity's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted financial instruments and derivative financial instruments.

The subsequent measurement of financial assets depends on their classification as described below:

- Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

- Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the consolidated entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment with revenue recognised on an effective yield basis.

- Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Interest income is recognised by applying the effective interest rate.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xi) Financial instruments – initial recognition and subsequent measurement (continued)

- Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity with the exception of impairment losses, foreign exchange gains / losses recognised directly in the income statement until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business at balance date. For investments with no active market, fair values are determined using valuation techniques. Dividends on available-for-sale equity instruments are recognised in the income statement when the consolidated entity's right to receive the dividends is established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The consolidated entity has transferred its rights to receive cash flows from the asset or has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The consolidated entity assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the consolidated entity. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

For available-for-sale financial investments, the consolidated entity assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The consolidated entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The consolidated entity's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivative financial instruments.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xi) Financial instruments – initial recognition and subsequent measurement (continued)

The measurement of financial liabilities depends on their classification, described as follows:

- Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the income statement. Financial liabilities designated upon initial recognition at fair value through profit and loss only if the criteria of AASB 139 are satisfied. The consolidated entity has not designated any financial liability as at fair value through profit or loss.

- Loans and borrowings: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 34(e).

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value and are recorded net of all volume rebates, marketing and business development contributions and settlement discounts. Costs are on a weighted average basis and include the acquisition cost, freight, duty and other inward charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(xiii) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Statement of Financial Position.

During the year the consolidated entity reassessed the classification of certain cash flow transactions. This resulted in a reclassification within the Statement of Cash Flows for the current year and prior year comparative balances have been restated for consistency.

(xiv) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows, at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost, in the Income Statement.

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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xv) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(xvi) Share-based payment transactions

The consolidated entity provides benefits to certain employees (including executive directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer either using a binomial valuation methodology or Black Scholes-Merton valuation methodology. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the present opinion of the directors of the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(xvii) Leases

Consolidated entity as lessor

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Consolidated entity as lessee

Finance leases, which transfer to the consolidated entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Statement of Significant Accounting Policies (continued)

(xvii) Leases (continued)

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Lease Incentives

Financial incentive contributions received from lessors of certain stores are recognised at their fair value on receipt as a liability in the financial statements.

The liability is reduced and recognised as income, by offsetting against occupancy expenses in the income statement over the period the consolidated entity expects to derive a benefit from the incentive contribution. Lease incentives are normally amortised to the income statement on a straight-line basis over the term of the lease.

(xviii) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer. Lay-by sales are recognised after the final payment is received from the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Franchisee income

Revenue 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.

(xix) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xix) Income tax (continued)

- except where the deferred income tax asset relating to the deductible difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences:
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(xx) Other taxes

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

(xxi) Derivative financial instruments

The consolidated entity uses derivative financial instruments such as foreign currency contracts to hedge its risks associated with foreign currency fluctuations and interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps is calculated with reference to current interest rates for contracts with similar maturity profiles.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xxi) Derivative financial instruments (continued)

Foreign currency contracts and interest rate swaps are generally considered to be cash flow hedges. In relation to cash flow hedges to hedge firm commitments which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement. When the hedged firm commitment results in the recognition of an asset (being the inventory purchase), at the time the asset is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost of the inventory. For interest rate swaps that are designated as cash flow hedges under AASB 139, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

(xxii) Earnings Per Share (EPS)

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

Diluted EPS is calculated as net profit attributable to members, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of 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 shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(xxiii) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(xxiv) Investment in controlled entities

Investments in controlled entities are carried at cost.

(xxv) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The consolidated entity aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services,
- nature of the production processes,
- type or class of customer for the products and services,
- methods used to distribute the products or provide the services, and if applicable
- nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xxv) Operating Segments (continued)

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

During the year the consolidated entity restated the segment revenue attributable to the franchising operations, retail property and property under construction segments for the previous year ended 30 June 2011. This restatement only occurred between the above-named segments and had no impact on the total segment revenue of the consolidated entity.

(xxvi) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the consolidated entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

(e) Future Accounting Standards

Certain Australian Accounting Standards and UIG Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the year ended 30 June 2012.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112)	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.	1 January 2012	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2012
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2012

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
	Income				
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. ▪ Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. ▪ Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. ▪ Financial assets can be designated and measured at fair value through profit or loss at initial recognition if	1 January 2015	The consolidated entity is in the process of assessing the impact on the consolidated entity's financial statements and disclosures.	1 July 2015

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. • Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ▪ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▪ The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.			
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's net asset position or profit after tax and non-controlling interests. The consolidated entity anticipates that land and buildings assets accounted for using the equity method will be classified as investment properties accounted for using proportionate consolidation in the statement of financial position.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.			
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013
Annual Improveme-nts 2009-2011 Cycle	Annual Improvements to IFRSs 2009-2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		The following items are addressed by this standard: 1) IFRS 1 First-time Adoption of International Financial Reporting Standards • Repeated application of • IFRS 1 • Borrowing costs 2) IAS 1 Presentation of Financial Statements • Clarification of the • requirements for comparative information 3) IAS 16 Property, Plant and Equipment • Classification of servicing equipment 4) IAS 32 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments 5) IAS 34 Interim Financial Reporting • Interim financial reporting • and segment information for total assets and liabilities			
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013
AASB 2012-4	Amendments to Australian Accounting Standards – Government Loans	AASB 2012-4 adds an exception to the retrospective application of Australian Accounting Standards under AASB 1 First-time Adoption of Australian Accounting Standards to require that first-time adopters apply the requirements in AASB 139 Financial Instruments: Recognition and Measurement (or AASB 9 Financial Instruments) and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans (including those at a below-market rate of interest) existing at the date of transition to Australian Accounting Standards.	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: • repeat application of AASB 1 is	1 January 2013	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		permitted (AASB 1); and • clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).			
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	The consolidated entity is in the process of assessing the impact on the consolidated entity's financial statements and disclosures.	1 July 2014

*designates the beginning of the applicable annual reporting period

(f) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of amendments contained in AASB 124 Related Party Disclosures that are effective for financial reporting periods commencing on or after 1 January 2011.

AASB 124 Related Party Transactions (Amendment)

The revised AASB 124 Related Party Disclosures (December 2009) simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
- The definition now identifies a subsidiary and an associate with the same investor as related parties of each other
- Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other
- The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other

The amended accounting standard has a disclosure impact in Note 5 Trade and Other Receivables (Current) that results in the reclassification of non-trade debts receivable of $18.30 million from "other unrelated persons" to "related parties" for the year ended 30 June 2012. This amendment was applied retrospectively resulting in the reclassification of non-trade debts receivable of $25.90 million from "other unrelated persons" to "related parties" for the year ended 30 June 2011.

	NOTE	CONSOLIDATED 2012 $000	2011 $000
2. Revenues			
Revenue from the sale of products		1,407,342	1,556,384
Gross revenue from franchisees:			
- Franchise fees		690,141	750,563
- Rent		222,586	204,181
- Interest		32,909	34,292
Total revenue received from franchisees		945,636	989,036
Rent received from other third parties		50,492	44,219
Interest received from other unrelated parties		9,422	7,739
Dividends from other unrelated parties		2,919	2,587
Total other revenues		62,833	54,545
Share of net profit of joint venture entities	36	13,742	17,888
Share of joint venture property revaluation	36	-	158
Total revenues		2,429,553	2,618,011
Other Income Items:			
Net property revaluation increment on Australian investment properties		-	15,297
Reversal of a previous property revaluation decrement		2,775	-
Net profit on the revaluation of equity investments to fair value		1,866	12,070
Net foreign exchange gains		1,318	2,258
Unrealised gain on interest rate swap		-	230
Other revenue		46,805	49,023
Total other income items		52,764	78,878
Total revenues and other income items		2,482,317	2,696,889
Total revenue is disclosed on the Income Statement as follows:			
Sales revenue		1,407,342	1,556,384
Other revenues		1,008,469	1,043,581
Other income items		52,764	78,878
Total other revenues and income items		1,061,233	1,122,459
Share of net profit of joint venture entities		13,742	17,888
Share of joint venture property revaluations		-	158
Total revenues and other income items		2,482,317	2,696,889

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000

3. Expenses and Losses

In arriving at profit before income tax, the following items were taken into account:

	2012 $000	2011 $000
Tactical support:		
Tactical support provided to franchisees	124,186	60,372
Depreciation, amortisation and impairment:		
Depreciation of:		
- Buildings	4,749	4,097
- Plant and equipment	73,492	77,416
Amortisation of:		
- Leased plant and equipment	39	81
- Computer software	9,782	7,773
Impairment of (included in administrative and other expenses line in the Income Statement):		
- Plant and equipment – Ireland	509	968
- Capitalised IT projects	2,356	1,093
- Other assets	139	10
Total depreciation, amortisation and impairment	91,066	91,438
Finance costs:		
Interest paid or payable:		
- Loans from directors and director-related entities	2,672	2,835
- Bank interest paid to financial institutions	43,017	37,694
- Other	3,766	2,455
Total finance costs	49,455	42,984
Employee benefits expense:		
- Wages and salaries	200,092	228,862
- Workers' compensation costs	786	1,539
- Superannuation contributions expense	10,659	13,231
- Payroll tax expense	8,977	10,934
- Share-based payment expense	334	419
- Other employee benefit expense	4,660	6,776
Total employee benefits expense	225,508	261,761
Property revaluation decrements:		
- Net revaluation decrement for Australian investment properties	25,263	-
- Share of joint venture property revaluations (Note 36)	2,505	-
Total property revaluation decrements	27,768	-
Other expense items:		
- Net bad debts – provided for or written off	1,438	1,999
- Net charge to provision for doubtful debts	1,324	(2,533)
- Net loss on disposal of plant and equipment	5,491	2,344
- Minimum lease payments	157,707	161,009
- Provision for obsolescence of inventories	(1,901)	(336)
- Provision for employee benefits	(5,672)	5,494

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED	
	2012	2011
	$000	$000

4. Income Tax

(a) *Income tax recognised in the Income Statement*

The major components of income tax expense are:

	2012 $000	2011 $000
Current income tax:		
Current income tax charge	79,494	93,701
Adjustments in respect of current income tax of previous years	(361)	(1,284)
Support payments provided to Harvey Norman Holdings (Ireland) Limited during 2010, 2011 and 2012 as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012	(16,292)	-
Deferred income tax:		
Relating to the origination and reversal of temporary differences	(5,436)	21,898
Reversals of deferred tax balances raised in previous years	(6,311)	-
Total income tax expense reported in the income statement	51,094	114,315

(b) *Income tax recognised in the Statement of Changes in Equity*

The following deferred amounts were charged directly to equity during the year:

	2012 $000	2011 $000
Deferred income tax:		
Net loss on revaluation of cash flow hedges	(5,613)	169
Net gain on revaluation of land and buildings	3,400	1,819
Total income tax expense reported in equity	(2,213)	1,988

(c) *Reconciliation between income tax expense and prima facie income tax:*

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:

	2012 $000	2011 $000
Accounting profit before tax	227,409	373,935
At the consolidated entity's statutory income tax rate of 30% (2011: 30%)	68,223	112,181
Adjustments to arrive at total income tax expense recognised for the year:		
Support payments provided to Harvey Norman Holdings (Ireland) Limited during 2010, 2011 and 2012 as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012	(16,292)	-
Adjustments in respect of current income tax of previous years	(361)	(1,284)
Share-based payment expenses	100	125
Expenditure not allowable for income tax purposes	306	84
Income not assessable for income tax purposes	23	(878)
Unrecognised tax losses	10,363	13,368
Utilisation of tax losses	(321)	(691)
Reversal of deferred tax balances raised in previous years	(6,311)	-
Tax concession for research and development expenses	(885)	(6,004)
Difference between tax capital gain and accounting profit on asset sales	(227)	-
Non-allowable building and motor vehicle depreciation	270	90
Non-allowable building depreciation due to a legislative change in New Zealand	-	87
Receipt of fully franked dividends	(919)	(776)
Sundry items	(547)	(615)
Effect of different rates of tax on overseas income and exchange rate differences	(2,328)	(1,372)
Total adjustments	(17,129)	2,134
Total income tax expense reported in the income statement	51,094	114,315

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Income Tax (continued)

	STATEMENT OF FINANCIAL POSITION		INCOME STATEMENT	
	2012	2011	2012	2011
	$000	$000	$000	$000
(d) *Deferred income tax assets and liabilities:*				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities:				
Revaluations of investment properties to fair value	(127,715)	(136,021)	(8,306)	4,424
Adjustments in respect of deferred tax liabilities of previous years	6,311	-	(6,311)	-
Revaluations of owner-occupied land and buildings to fair value	(10,467)	(7,199)	-	-
Non-allowable building depreciation due to a legislative change in New Zealand	(18,605)	(19,150)	(814)	87
Reversal of building depreciation expense for investment properties	(31,864)	(25,519)	6,345	5,371
Differences between accounting carrying amount and tax cost base of computer software assets	(746)	(700)	46	(206)
Unrealised profits on investments	(352)	(4,062)	(3,762)	2,707
Accretion of FAST receivables	(3,542)	(3,496)	46	65
Unrealised foreign exchange gains		-		(360)
Research and development	(10,827)	(10,673)	673	8,642
Other items	(1,042)	(1,216)	(552)	904
	(198,849)	(208,036)		
CONSOLIDATED				
Deferred tax assets:				
Employee provisions	4,752	6,428	1,692	(235)
Unused tax losses and tax credits	308	233	(75)	594
Other provisions	2,016	1,874	26	76
Provision for lease makegood	215	135	(80)	528
Provision for deferred lease expenses	1,489	1,633	144	(106)
Lease incentives	443	511	68	76
Provision for executive remuneration	437	675	238	30
Inventory valuation adjustments	1,565	1,565	-	-
Unearned income for accounting purposes	-	7	7	109
Unrealised foreign exchange losses	35	139	93	(19)
Finance leases	2,699	1,507	(1,282)	(608)
Discount interest-free receivables	3,589	3,564	(25)	(45)
Equity-accounted investments	2,127	2,078	(11)	(19)
Provisions for onerous leases	633	728	95	164
Revaluation of interest rate swaps to fair value	5,966	371	(8)	-
Other items	1,233	1,033	6	(281)
	27,507	22,481	(11,747)	21,898

4. Income Tax (continued)

The consolidated entity has not recognised deferred tax assets relating to tax losses of $228.10 million (2011: $194.27 million) which are available for offset against taxable profits of the companies in which the losses arose. The tax losses of $228.10 million as at 30 June 2012 exclude the adjustments relating to support payments provided to Harvey Norman Holdings (Ireland) Limited during 2010, 2011 and 2012 as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012.

At 30 June 2012, there is no recognised or unrecognised deferred income tax liability (2011: $0) for taxes that would be payable on the unremitted earnings of certain subsidiaries, associates or joint ventures, as the consolidated entity has no liability for additional taxation should such amounts be remitted.

Tax consolidation

Harvey Norman Holdings Limited and its 100% owned Australian resident subsidiaries are members of a tax consolidated group. Harvey Norman Holdings Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Wholly owned companies of the tax consolidated group have entered into a tax funding agreement. The funding agreement provides for the allocation of current and deferred taxes on a modified standalone basis in accordance with the principles as outlined in UIG 1052 Tax Consolidation Accounting.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company Harvey Norman Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	2011 $000
5. Trade and Other Receivables (Current)		
Trade debtors (a)	985,542	1,022,892
Provision for doubtful debts (a)	(845)	(990)
Trade debtors, net	984,697	1,021,902
Consumer finance loans (b)	2,874	2,970
Amounts receivable in respect of finance leases (c)	9,907	8,685
Non-trade debts receivable from: (d)		
- Related parties	20,442	27,696
- Other unrelated persons	4,916	7,371
- Provision for doubtful debts (d)	(4,863)	(3,392)
Non-trade debts receivable, net	20,495	31,675
Total trade and other receivables (current)	1,017,973	1,065,232

(a) *Trade receivables and allowance for doubtful debts*

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services when there is objective evidence that an individual trade receivable is impaired. An impairment reversal of $0.22 million (2011: an impairment loss of $1.78 million) has been recognised by the consolidated entity in the current year for the current trade debtors. These amounts have been included in the other expenses line item in the Income Statement.

Included in the consolidated entity's trade receivable balance are debtors with a carrying amount of $16.88 million (2011: $12.48 million) which are past due at the reporting date for which the consolidated entity has not provided for as there has not been a significant change in credit quality and the consolidated entity believes that the amounts are still considered recoverable. The fair value of the collateral held over the past due not impaired trade receivables is $3.87 million (2011: $0).

Other balances within trade receivables do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

At 30 June, the ageing analysis of current and non-current trade debtors is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2012 ($000)	968,205	4,937	1,501	10,439	32	12	800	985,926
2011 ($000)	1,009,866	6,338	1,153	4,985	5	60	925	1,023,332

	CONSOLIDATED 2012 $000	2011 $000
Reconciled to:		
Trade debtors (Current)	985,542	1,022,892
Trade debtors (Non-Current – Note 10)	384	440
Total trade debtors	985,926	1,023,332

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Trade and Other Receivables (Current) (continued)

(a) *Trade receivables and allowance for doubtful debts (continued)*

Movements in the allowance for doubtful debts for trade debtors were as follows:

	CONSOLIDATED 2012 $000	2011 $000
At 1 July	990	3,289
Charge for the year	(22)	1,780
Foreign exchange translation	(2)	(275)
Amounts written off	(121)	(3,804)
At 30 June	845	990

(b) *Consumer finance loans*

For terms and conditions, allowance for doubtful debts and collateral held for consumer finance loans refer to Note 10.

(c) *Finance lease receivables*

Finance lease receivables are reconciled to amounts receivable in respect of finance leases as follows:

	2012 $000	2011 $000
Aggregate of minimum lease payments and guaranteed residual values:		
Not later than one year	11,610	10,658
Later than one year but not later than five years	9,687	14,089
	21,297	24,747
Future finance revenue:		
Not later than one year	(1,703)	(1,973)
Later than one year but not later than five years	(808)	(1,493)
Net finance lease receivables	18,786	21,281
Reconciled to:		
Trade and other receivables (Current)	9,907	8,685
Trade and other receivables (Non-current – Note 10)	8,879	12,596
	18,786	21,281

The consolidated entity offers finance lease arrangements as part of the 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.

Included in the consolidated entity's current and non-current finance lease receivables, there are no lease receivables that are past due at the reporting date. Any defaults in repayments by customers are secured by the leased assets. The collateral that is held by the consolidated entity relates to the underlying leased assets. As at balance date, there are no events that require the consolidated entity to sell or re-pledge the leased assets.

Finance receivables are reconciled to amounts receivable in respect of finance leases.

(d) *Non trade debts receivable and allowance for doubtful debts*

Non trade receivables are generally interest bearing and are normally payable at call. An allowance has been made for estimated irrecoverable non trade receivable amounts. An impairment loss of $1.45 million (2011: $0.20 million) has been recognised by the consolidated entity in the current year for the non trade debtors. These amounts have been included in the other expenses line item in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Trade and Other Receivables (Current) (continued)

(d) *Non trade debts receivable and allowance for doubtful debts (continued)*

Included in the consolidated entity's non trade receivable balance are debtors with a carrying amount of $1.15 million (2011: $1.26 million) which are past due at the reporting date for which the consolidated entity has not provided for based on the assessment that the amounts are still recoverable. The fair value of the collateral held over the past due not impaired non-trade receivables is $0.85 million (2011: $0.85 million).

Other balances within non trade receivables do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

At 30 June, the ageing analysis of non trade debts receivable is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2012 ($000)	**19,349**	**-**	**-**	**1,146**	**-**	**-**	**4,863**	**25,358**
2011 ($000)	30,417	-	-	1,258	-	-	3,392	35,067

Movements in the allowance for doubtful debts for current non-trade debts receivable were as follows:

	CONSOLIDATED	
	2012 $000	2011 $000
At 1 July	**3,392**	3,622
Charge for the year	**1,447**	202
Amounts written off	**24**	(432)
At 30 June	**4,863**	3,392

6. Other Financial Assets (Current)

	2012 $000	2011 $000
Listed shares held for trading at fair value	**23,346**	40,171
Other investments	**1,050**	1,058
Total other financial assets (current)	**24,396**	41,229

7. Inventories (Current)

	2012 $000	2011 $000
Finished goods at cost	**241,071**	316,453
Provision for obsolescence	**(4,389)**	(6,290)
Finished goods at cost, net	**236,682**	310,163
Finished goods at net realisable value	**26,739**	26,579
Total current inventories at the lower of cost and net realisable value	**263,421**	336,742

8. Other Assets (Current)

	2012 $000	2011 $000
Prepayments	**10,753**	16,378
Other current assets	**9,408**	4,662
Total other assets (current)	**20,161**	21,040

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
9. Intangible Assets (Current)		
Net Licence Property	**531**	322
10. Trade and Other Receivables (Non-Current)		
Trade debtors (a)	**384**	440
Consumer finance loans (b)	**1,307**	1,518
Provision for doubtful debts (b)	**(14)**	(16)
	1,677	1,942
Amounts receivable in respect of finance leases	**8,879**	12,596
Total trade and other receivables (non-current)	**10,556**	14,538

(a) *Trade debtors*

For terms and conditions, allowance for doubtful debts and collateral held for trade debtors refer to Note 5.

(b) *Consumer finance loans and allowance for doubtful debts*

Majority of the consumer finance loans are non-interest bearing and are generally on 6 to 48 months interest free terms.

An impairment loss of $0.014 million (2011: $0.016 million) has been recognised by the consolidated entity in the current year for the consumer finance loans. These amounts have been included in the other expenses line item in the Income Statement.

If a customer has missed a repayment in a consumer finance loan, the remaining balance of the consumer finance loan is treated as past due. Included in the consolidated entity's current and non-current consumer finance loans, $0.47 million (2011: $0.54 million) are past due at the reporting date for which the consolidated entity has not provided for. It is the consolidated entity's responsibility to collect the outstanding receivables from customers. In an event where the consolidated entity cannot collect the outstanding receivables from customers, the consolidated entity has recourse to franchisees for reimbursement of receivables. For consumer finance loans initiated from the consolidated owned stores, there has not been a significant change in credit quality and therefore the consolidated entity believes that the amounts are still considered recoverable. The consolidated entity does not hold any collateral over these balances.

Other balances within consumer finance loans do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

At 30 June, the ageing analysis of current and non-current consumer finance loans is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2012 ($000)	**3,695**	**247**	**50**	**175**	**-**	**-**	**14**	**4,181**
2011 ($000)	3,930	163	180	199	-	-	16	4,488

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Trade and Other Receivables (Non-Current) (continued)

(b) *Consumer finance loans and allowance for doubtful debts (continued)*

	CONSOLIDATED 2012 $000	2011 $000
Reconciled to:		
Consumer finance loans (Current – Note 5)	2,874	2,970
Consumer finance loans (Non – Current)	1,307	1,518
Total consumer finance loans	4,181	4,488

Movements in the allowance for doubtful debts for non-current consumer finance loans were as follows:

	2012	2011
At 1 July	16	20
Charge for the year	14	16
Amounts written off	(16)	(20)
At 30 June	14	16

11. Other Financial Assets (Non-Current)

	2012	2011
Listed shares held for trading	1,750	2,000
Listed shares held as available for sale	7,194	6,080
Units in unit trusts held as available for sale	204	210
Other non-current financial assets	207	4
Total other financial assets (non-current)	9,355	8,294

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
12. Property, Plant and Equipment (Non-Current)		
Summary		
Land		
- At fair value	121,497	95,928
- Properties under construction, at cost	-	20,325
Total Land	121,497	116,253
Buildings		
- At fair value	159,220	127,940
- Properties under construction, at cost	-	13,572
Total buildings	159,220	141,512
Net land and buildings	280,717	257,765
Plant and equipment		
- At cost	768,731	755,771
- Accumulated depreciation	(514,724)	(501,557)
Net plant and equipment, at cost	254,007	254,214
Lease make good asset		
- At cost	3,713	2,723
- Accumulated depreciation	(2,160)	(2,223)
Net lease make good asset, at cost	1,553	500
Total plant and equipment	255,560	254,714
Total property, plant and equipment		
- Land and buildings at cost and fair value	280,717	257,765
- Plant and equipment at cost	772,444	758,494
Total Property, plant and equipment	1,053,161	1,016,259
Accumulated depreciation and amortisation	(516,884)	(503,780)
Total written down amount	536,277	512,479

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment are as follows:

	2012 $000	2011 $000
Land (at fair value):		
Opening balance	95,928	102,527
Additions	-	4,217
Increase / (decrease) resulting from revaluation	5,923	(6,852)
Transfers from land under construction at cost	20,509	1,403
Net foreign currency differences arising from foreign operations	(863)	(5,367)
Closing balance	121,497	95,928

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Reconciliations (continued)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
Accumulated Depreciation		
Opening balance	-	-
Transfers from land under construction (at cost)	468	-
Reversal upon revaluation	(468)	-
Closing balance	-	-
Net book value of land (at fair value)	121,497	95,928
Land under construction (at cost):		
Opening balance	20,565	1,403
Transfers from investment properties	-	22,733
Transfers to land at fair value	(20,509)	(1,403)
Net foreign currency differences arising from foreign operations	(56)	(2,168)
Closing balance	-	20,565
Accumulated Depreciation		
Opening balance	240	-
Depreciation for the year (a)	230	240
Transfers to land (at fair value)	(468)	-
Net foreign currency differences arising from foreign operations	(2)	-
Closing balance	-	240
Net book value of land under construction	-	20,325
Buildings (at fair value):		
Opening balance	127,940	125,549
Additions	11,575	6,981
Increase resulting from revaluation	3,525	803
Reversal of depreciation upon revaluation	(948)	61
Transfers from buildings under construction at cost	19,367	1,116
Net foreign currency differences arising from foreign operations	(2,239)	(6,570)
Closing balance	159,220	127,940
Accumulated Depreciation		
Opening balance	-	-
Depreciation for the year	23,355	19,989
Reversal upon revaluation	(23,318)	(19,987)
Net foreign currency differences arising from foreign operations	(37)	(2)
Closing balance	-	-
Net book value of buildings	159,220	127,940

(a) The depreciation charge relates to a leasehold land located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Reconciliations (continued)

	CONSOLIDATED 2012 $000	2011 $000
Buildings under construction (at cost):		
Opening balance	13,572	1,116
Additions	5,518	5,721
Transfers to buildings at fair value	(19,367)	(1,116)
Transfers from investment properties	-	8,684
Net foreign currency differences arising from foreign operations	277	(833)
Closing balance	-	13,572
Net book value of land and buildings	280,717	257,765

Had the consolidated entity's land and buildings (other than land and buildings classified as investment properties, owner occupied land and buildings under construction and land and buildings owned under joint ventures) been measured on a historical cost basis, the net book value of land and buildings would have been $226.98 million (2011: $162.33 million).

	2012 $000	2011 $000
Plant and equipment (at cost):		
Opening balance	755,328	692,032
Additions	84,475	132,136
Disposals	(67,555)	(77,773)
Transfers from / (to) leased plant and equipment	123	(416)
Transfers from other assets	-	21,238
Impairment	(139)	(419)
Net foreign currency differences arising from foreign operations	(3,797)	(11,470)
Closing balance	768,435	755,328
Accumulated Depreciation		
Opening balance	501,267	485,564
Depreciation for the year	72,922	76,751
Disposals	(56,887)	(57,418)
Transfers from / (to) leased plant and equipment	100	(252)
Transfers from other assets	-	4,211
Impairment (a)	509	968
Net foreign currency differences arising from foreign operations	(3,392)	(8,557)
Closing balance	514,519	501,267
Net book value	253,916	254,061

(a) *Impairment of Fixed Assets – Republic of Ireland and Northern Ireland*

Ireland and Northern Ireland operations incurred a trading loss of $33.53 million for the current year compared to a loss of $37.63 million for the preceding year. Consequently, the recoverable amount of plant and equipment assets in Ireland and Northern Ireland was reviewed.

As a result of this review, an impairment loss of $0.51 million (2011: $0.97 million) was recognised in the Republic of Ireland to reduce the carrying amount of plant and equipment to recoverable amount. This has been recognised in the Income Statement in the "other expenses" line item and in the "Retail – Ireland & Northern Ireland" reportable segment.

Management determined the cash generating units to be each of the 14 retail stores in the Republic of Ireland. Within each of the retail store cash generating units, the recoverable amount was estimated for plant and equipment assets. The recoverable amount has been determined based on a value in use calculation using cash flow projections as at 30 June 2012 based on financial budgets approved by senior management. The pre-tax discount rate applied to the cash flow projections was 16.0% (2011: 16.0%). The terminal growth rate applied to the cash flow projections was 4.23% (2011: 4.23%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Reconciliations (continued)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
Lease make good asset (at cost):		
Opening balance	2,723	4,921
Additions	1,909	781
Disposals	(950)	(2,503)
Net foreign currency differences arising from foreign operations	31	(476)
Closing balance	3,713	2,723
Accumulated Depreciation		
Opening balance	2,223	3,046
Amortisation for the year	569	665
Disposals	(659)	(1,147)
Net foreign currency differences arising from foreign operations	27	(341)
Closing balance	2,160	2,223
Net book value	1,553	500
Leased Plant and Equipment (at cost):		
Opening balance	443	139
Additions	-	35
Disposals	(25)	(126)
Transfers (to) / from plant and equipment	(123)	416
Net foreign currency differences arising from foreign operations	1	(21)
Closing balance	296	443
Accumulated Depreciation		
Opening balance	290	44
Amortisation for the year	39	81
Disposals	(25)	(74)
Transfers (to) / from plant and equipment	(100)	252
Net foreign currency differences arising from foreign operations	1	(13)
Closing balance	205	290
Net book value	91	153
Total plant and equipment	255,560	254,714
Total property, plant and equipment	536,277	512,479

The financing facilities as disclosed in Note 20 to the financial statements are secured by charges over all of the assets of the consolidated entity and by mortgages over certain assets of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Investment Properties (Non-Current)

Reconciliations

	CONSOLIDATED					
	Completed investment property	Investment property under construction	**Total**	Completed investment property	Investment property under construction	**Total**
	2012 $000	2012 $000	**2012 $000**	2011 $000	2011 $000	**2011 $000**
Opening balance	1,403,181	198,420	**1,601,601**	1,362,574	126,626	**1,489,200**
Additions	14,110	78,909	**93,019**	58,945	113,939	**172,884**
Transfer to property, plant and equipment	-	-	**-**	-	(31,417)	**(31,417)**
Transfer to investments accounted for using equity method	-	-	**-**	(32,532)	-	**(32,532)**
Transfer from / (to) completed investment property	183,807	(183,807)	**-**	8,705	(8,705)	**-**
Transfer to inventory	-	-	**-**	(8,869)	-	**(8,869)**
Adjustment to fair value	(6,828)	(18,435)	**(25,263)**	17,320	(2,023)	**15,297**
Disposals	(15,611)	-	**(15,611)**	(2,962)	-	**(2,962)**
Closing balance	1,578,659	75,087	**1,653,746**	1,403,181	198,420	**1,601,601**

Included in rent received from franchisees and rent received from other third parties as disclosed in Note 2 to the financial statements is rent received from investment properties of $154.46 million for the year ended 30 June 2012 (2011: $140.91 million). Operating expenses recognised in the income statement in relation to investment properties amounted $34.31 million for the year ended 30 June 2012 (2011: $32.50 million).

Investment Property Valuation Policy

Each completed investment property is valued at fair value. Each completed investment property is the subject of a lease or licence in favour of independent third parties, including franchisees. Franchisees occupy properties pursuant to a licence for an initial term of 30 days, thereafter terminable at will. The fair value in respect of each completed investment property has been calculated using the capitalisation method of valuation, against current market rental value, and having regard to, in respect of each property:

- the highest and best use
- quality of construction
- age and condition of improvements
- recent market sales data in respect of comparable properties
- current market rental value, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction
- tenure of Harvey Norman franchisees and external tenants
- adaptive reuse of buildings
- the specific circumstances of the property not included in any of the above points
- non-reliance on turnover rent

The investment property portfolio in Australia is subject to a bi-annual review to fair market value at each reporting period. At each reporting period, one-sixth of the investment property portfolio is independently valued with the remaining five-sixths fair-valued by Directors where appropriate. The whole portfolio is independently valued every three years.

Fair value has been calculated using the capitalisation method of valuation. For Director valuations, where appropriate, management also undertook a discounted cash flow valuation of the same properties for means of comparison. There were no material differences between the capitalisation method result and the discounted cash flow method result.

During the year ended 30 June 2012, the consolidated entity obtained external, independent valuations in respect of thirty (30) properties, which completed the independent valuation of all properties within the three-year cycle per the Investment Property Valuation Policy. Based on the results of these independent valuations, further properties were identified by management for internal Director valuations. These were selected where properties had been similarly affected by the same factors or characteristics of the properties which were independently valued, particularly with yields and market rentals.

13. Investment Properties (Non-Current) (continued)

Property Portfolio in Australia (Inclusive of Joint Venture and Development Properties)
Primary sites (as determined by management), which have been operating for greater than a twelve-month period, totalling $1.44 billion (2011: $1.29 billion) generally have capitalisation rates within the range of 8.5% to 10.0% (2011: 8.25% to 9.0%). Secondary sites (as determined by management), which have been operating for greater than a twelve-month period, totalling $233.69 million (2011: $242.06 million) generally have capitalisation rates within the range of 8.75% to 11.5% (2011: 8.75% to 11.0%). The consolidated entity has a strict property maintenance program to ensure that all investment properties are continuously maintained to a high standard. The vacancy rate of the investment property portfolio in Australia is 3.06% (2011: 2.44%).

Investment properties can be analysed as follows:

	CONSOLIDATED	
	2012 $000	2011 $000
Completed investment properties at fair value	**1,578,659**	1,403,181
Investment properties under construction at fair value	**75,087**	198,420
Total investment properties	**1,653,746**	1,601,601

14. Intangible Assets (Non-Current)

	2012 $000	2011 $000
Computer Software (summary)		
Cost (gross carrying amount)	**106,052**	98,236
Accumulated amortisation and impairment	**(49,104)**	(40,445)
Net carrying amount	**56,948**	57,791
Computer Software (a):		
Net of accumulated amortisation and impairment		
Opening balance	**57,791**	23,745
Additions	**12,133**	42,648
Disposals	**(847)**	(142)
Impairment (b)	**(2,356)**	(674)
Amortisation	**(9,782)**	(7,773)
Net foreign currency differences arising from foreign operations	**9**	(13)
Net book value	**56,948**	57,791
Goodwill (c)		
Opening balance	**9**	11
Net foreign currency differences arising from foreign operations	**1**	(2)
Carrying value	**10**	9
Licence property:		
Net book value	**484**	494
Total intangible assets	**57,442**	58,294

14. Intangible Assets (Non-Current) (continued)

(a) Computer Software

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period of no greater than 7.5 years. If impairment indicators are present, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(b) Impairment of Computer Software

During the year ended 30 June 2012, the consolidated entity reviewed the capitalised software costs incurred in relation to the merchandising and supply-chain improvements program. During this review management identified certain specific elements of design and scope of the program that no longer contained future economic benefits for the consolidated entity. The consolidated entity had written off $2.36 million of specific costs that were no longer aligned with the current design and strategic direction of the program.

(c) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis whenever there is an indication of impairment.

Pertama Holdings Limited, Singapore

The recoverable amount of the cash generating unit of Pertama Holdings Limited, Singapore has been determined based on a fair value less costs to sell calculation as the asset, being the shares held by the consolidated entity in Pertama Holdings Limited, Singapore, are traded in an active market. Based on the annual impairment review, the goodwill recognised in respect of Pertama Holdings Limited, Singapore is not impaired.

	CONSOLIDATED	
	2012	2011
	$000	$000
15. Trade and Other Payables (Current)		
Trade creditors	553,570	701,823
Accruals	49,957	77,761
Other creditors	43,752	75,313
Total trade and other payables (current)	647,279	854,897
16. Interest-Bearing Loans and Borrowings (Current)		
Secured:		
Non trade amounts owing to:		
- Bank overdraft (a)	32,366	44,050
- Commercial bills payable (b)	9,750	15,075
- Other short-term borrowings (c)	146,675	-
Unsecured:		
Derivatives payable	1,199	-
Lease liabilities (d) Note 32 (b)(i)	117	168
Non trade amounts owing to:		
- Directors (e)	32,406	36,944
- Other related parties (e)	12,253	8,844
- Other unrelated persons	110	194
Total interest-bearing loans and borrowings (current)	234,876	105,275

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Interest-Bearing Loans and Borrowings (Current) (continued)

(a) Bank Overdraft
Relates to a fully-drawn bank overdraft in the sum of $32.37 million due by Harvey Norman Trading (Ireland) Limited to Bank of Ireland ("BOI") (the "BOI Overdraft Facility"). Australia and New Zealand Banking Group Limited ("ANZ") has provided an Indemnity/Guarantee/Stand-by Letter of Credit Facility in favour of BOI in support of the BOI Overdraft Facility, at the request of the Company ("ANZ-BOI Facility"). The ANZ-BOI Facility is further secured by the Syndicated Facility Agreement described in Note 19(a).

(b) Commercial Bills Payable
The commercial bills payable form part of facilities granted by ANZ. The payment of each commercial bill is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 19(a)), and subject to annual review by ANZ. Each commercial bill has a tenure not exceeding 180 days but is repayable on demand by ANZ, upon the occurrence of any event of default or Relevant Event (as defined in Note 19(a)) under the Syndicated Facility Agreement, or after any annual review date.

(c) Other Short –Term Borrowings
Of the total short term borrowings of $146.68 million:

- a total of $79.80 million is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 19(a)). The facilities are located in Singapore, Slovenia and Croatia and have a maturity date of December 2012.
- a total of $65.00 million is secured by the securities given pursuant to a separate further facility agreement that was established on 17 February 2012 by a subsidiary of the Company (as borrower), and several other subsidiaries of the Company (as guarantors), with certain banks totalling $85.00 million (the "Syndicated Working Capital Facility"). Refer to further details below on the Syndicated Working Capital Facility.
- a total of $1.41 million relates to a revolving credit facility with Hype Alpe-Adria-Bank d.d. in Slovenia. This facility will be repaid in full in October 2013 and is secured by an independent first demand corporate guarantee from the Company.
- a total of $0.46 million relates to a revolving credit facility with AmBank (M) Berhad in Malaysia. This facility is reviewed on an annual basis and is secured by a corporate guarantee from the Company.

Syndicated Working Capital Facility
The Syndicated Working Capital Facility is a twelve (12) month revolving facility, secured by properties located in Australia and New Zealand. The utilised portion of $65.00 million is secured by the securities given pursuant to the Syndicated Working Capital Facility and $1.90 million is applicable to other banking facilities with financiers that are external to the Syndicated Facility Agreement. The security provided under these facilities is a parental guarantee by the Company.

The Syndicated Working Capital Facility is repayable:
(a) on 17 February 2013;
(b) otherwise on demand by or on behalf of the lenders under the Syndicated Working Capital Facility (the "Syndicated Working Capital Facility Lenders") upon the occurrence of any one of a number of events (each a "Syndicated Working Capital Facility Relevant Event"), including events which are not within the control of the Company, the Borrower or the Guarantors. Each of the following is a Syndicated Working Capital Facility Relevant Event:
(i) an event occurs which has or is reasonably likely to have a material adverse effect on the business, operation, property, condition (financial or otherwise) or prospects of the Borrower or the Company and the subsidiaries of the Company;
(ii) if any change in law or other event makes it illegal or impractical for a Syndicated Working Capital Facility Lender to perform its obligations under the Syndicated Working Capital Facility Agreement or fund or maintain the amount committed by that Syndicated Working Capital Facility Lender to the provision of the Syndicated Working Capital Facility ("Syndicated Working Capital Facility Commitment"), the Syndicated Working Capital Facility Lender may by notice to the Borrower, require the Borrower to repay the secured moneys in respect of the Syndicated Working Capital Facility Commitment of that Syndicated Working Capital Facility Lender, in full or the date which is forty (40) business days after the date of that notice.

The Company has not received notice of the occurrence of any Relevant Event from any Financier.

(d) Lease Liabilities
The implicit interest rate on lease liabilities is within a range of 3.24% to 9.5% over a term of 3 years (2011: 1.0% to 9.5%).

(e) Directors and Other Related Parties
Interest is payable at normal commercial bank bill rates. The loans are unsecured and repayable at call.

(f) Defaults and Breaches
During the current and prior years, there were no defaults or breaches on any of the interest-bearing loans and borrowings referred to in this note.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Consolidated 2012 $000	2011 $000
17. Other Liabilities (Current)		
Lease incentives	1,503	1,545
Unearned revenue	128	58
Total other liabilities (current)	1,631	1,603
18. Provisions		
Current:		
Employee benefits (Note 28)	15,843	20,450
Make good provision	1,061	658
Deferred lease expenses	737	1,058
Onerous lease costs	2,110	2,426
Other	746	643
Total provisions (current)	20,497	25,235
Non-Current:		
Employee benefits (Note 28)	1,278	2,343
Make good provision	3,028	2,058
Deferred lease expenses	4,648	5,274
Total provisions (non-current)	8,954	9,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Provisions (continued)

Movements in the provisions for the year are as follows:

CONSOLIDATED	Make Good Provision $000	Deferred Lease Expenses $000	Onerous Lease Costs $000	Other $000	Total $000
At 1 July 2011	2,716	6,332	2,426	643	12,117
Arising during the year	2,250	1,153	5,971	488	9,862
Utilised	(937)	(2,073)	(6,287)	(394)	(9,691)
Discount rate adjustment	9	-	-	-	9
Exchange rate variance	51	(27)	-	9	33
At 30 June 2012	4,089	5,385	2,110	746	12,330
Current 2012	1,061	737	2,110	746	4,654
Non-current 2012	3,028	4,648	-	-	7,676
Total provisions 2012	4,089	5,385	2,110	746	12,330
Current 2011	658	1,058	2,426	643	4,785
Non-current 2011	2,058	5,274	-	-	7,332
Total provisions 2011	2,716	6,332	2,426	643	12,117

Make good provision

In accordance with certain lease agreements, the consolidated entity is obligated to restore certain leased premises to a specified condition at the end of the lease term. The balance of the make good provision as at 30 June 2012 was $4.09 million representing the expected costs to be incurred in restoring the leased premises to the condition specified in the lease. The provision has been calculated using a discount rate of 3 per cent.

Onerous lease costs

The provision for onerous lease costs represents the present value of the future lease payments that the consolidated entity is presently obligated to make in respect of onerous lease contracts under non-cancellable operating lease agreements. This obligation may be reduced by the revenue expected to be earned on the lease including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The unexpired term of the leases ranges from 1 to 3 years. During the year ended 30 June 2012, the consolidated entity closed four (4) leased franchised stores and had restructured the company-operated Clive Peeters and Rick Hart business. This restructure resulted in the closure of seven (7) Clive Peeters and Rick Hart retail sites, all of which were leased from external parties. The balance of the provision for onerous lease costs as at 30 June 2012 was $2.11 million. The majority of this provision relates to the franchised and company-operated closures during the current year.

Deferred lease expenses

Deferred lease expenses represent the present value of the future lease payments that the consolidated entity is presently obligated to make under non-cancellable operating lease agreements to enable the even recognition of lease payments as an expense on a straight-line basis over the lease term.

Other

The other provisions relates to provisions for employees' day in lieu incurred by a controlled entity within the consolidated entity.

	CONSOLIDATED 2012 $000	2011 $000
19. Interest-Bearing Loans and Borrowings (Non-Current)		
Secured:		
Non trade amounts owing to:		
Other borrowings		
- Syndicated Facility Agreement (a)	525,000	485,900
- Other non-current borrowings	-	26,886
Secured bills payable	675	32,428
Unsecured:		
- Derivatives payable	18,784	1,269
- Lease liabilities – Note 32 (b)(i)	12	-
Total interest-bearing liabilities (non-current)	544,471	546,483

(a) Non-Current Borrowings – Syndicated Facility Agreement

On 2 December 2009, the Company, a subsidiary of the Company ("Borrower") and certain other subsidiaries of the Company ("Guarantors") entered into a Syndicated Facility Agreement with certain banks ("Financiers" and each a "Financier") in relation to a loan facility of $435.00 million (the "Original Facility"). The Original Facility was to be otherwise repayable on 3 December 2012.

On 22 December 2011, the Borrower and Guarantors entered into arrangements to increase the amount of the Original Facility to $610.00 million (the "Increased Facility") and to further secure the liability of the Company to ANZ pursuant to the ANZ-BOI Facility (refer to Note 16(a)).

The Increased Facility is secured by:
(a) a fixed and floating charge granted by the Company and each of the Guarantors in favour of a security trustee for the Financiers; and
(b) real estate mortgages granted by certain Guarantors in favour of the security trustee for the Financiers over various real properties owned by those Guarantors.

Under the terms of the Syndicated Facility Agreement, the Increased Facility is repayable:
(a) as to $370 million, on 22 December 2014;
(b) as to $240 million, on 22 December 2016;
(c) otherwise on demand by or on behalf of the Financiers upon the occurrence of any one of a number of events (each a "Relevant Event"), including events which are not within the control of the Company, the Borrower or the Guarantors. Each of the following is a Relevant Event:
(i) an event occurs which has or is reasonably likely to have a material adverse effect on the business, operation, property, condition (financial or otherwise) or prospects of the Borrower or the Company and the subsidiaries of the Company;
(ii) if any change in law or other event makes it illegal or impractical for a Financier to perform its obligations under the Syndicated Facility Agreement or fund or maintain the amount committed by that Financier to the provision of the Increased Facility ("Commitment"), the Financier may by notice to the Borrower, require the Borrower to repay the secured moneys in respect of the Commitment of that Financier, in full on the date which is forty (40) business days after the date of that notice.

(b) Defaults and Breaches

During the current and prior years, there were no defaults or breaches on any of the interest-bearing loans and borrowings referred to in this note.

The Company has not received notice of the occurrence of any Relevant Event from any Financier.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Financing Facilities Available

At reporting date, the following financing facilities had been negotiated and were available:

	CONSOLIDATED 2012 $000	2011 $000
Total facilities:		
- Bank overdraft	38,114	47,692
- Other short term borrowings	175,467	56,105
- Commercial bank bills	11,832	64,909
- Syndicated Facility Agreement	610,000	560,000
Total Available Facilities	835,413	728,706
Facilities used at balance date:		
- Bank overdraft	32,366	44,050
- Other short term borrowings	146,675	26,886
- Commercial bank bills - current	9,750	15,075
- Commercial bank bills - non-current	675	32,428
- Syndicated Facility Agreement	525,000	485,900
Total Used Facilities	714,466	604,339
Facilities unused at balance date:		
- Bank overdraft	5,748	3,642
- Other short term borrowings	28,792	29,219
- Commercial bank bills	1,407	17,406
- Syndicated Facility Agreement	85,000	74,100
Total Unused Facilities	120,947	124,367

Refer to Note 16 Interest-Bearing Loans and Borrowings (Current) and Note 19 Interest-Bearing Loans and Borrowings (Non-Current) for details regarding the security provided by the consolidated entity over each of the financing facilities disclosed above.

21. Other Liabilities (Non-Current)

	2012	2011
Lease incentives	14,868	16,956
Unearned revenue	22	22
Total other liabilities (non-current)	14,890	16,978

22. Contributed Equity

	2012	2011
Ordinary shares	259,610	259,610
Total contributed equity	259,610	259,610

	2012 number	2011 number
Ordinary shares:		
Issued and fully paid	1,062,316,784	1,062,316,784

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Contributed Equity (continued)

	CONSOLIDATED No.	CONSOLIDATED $'000
Movements in ordinary shares on issue		
At 1 July 2010	1,062,316,784	259,610
Issue of shares under executive share option plan	-	-
At 1 July 2011	1,062,316,784	259,610
Issue of shares under executive share option plan	-	-
At 30 June 2012	1,062,316,784	259,610

Ordinary Shares – Terms and Conditions

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in any surplus on winding up in proportion to the number of and amounts paid up on shares held. Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the company.

Share Options

Harvey Norman Holdings Limited

Options Issued on 29 November 2010 ("First Tranche of Options")
Subject to the terms and conditions of the 2010 Share Option Plan, the Company issued 1,000,000 options to subscribe for 1,000,000 fully paid ordinary shares in the Company, at an exercise price of $3.02 per option, on 29 November 2010, to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith ("First Tranche of Options"). The qualifying period for the 2010 EOP Allocation is the three years ending 30 June 2013. The first tranche of options were independently valued at grant date by Mercer (Australia) Pty Limited utilising the assumptions underlying the Black-Scholes methodology. These assumptions included the following:

- dividend yield 3.8%
- expected volatility 37.1%
- risk free rate as derived from the yield on Australian Government Bonds of the appropriate term

Under this valuation methodology, the value of each option in the 2010 EOP Allocation was $0.87 per option or $2,610,000 in total.

On 13 June 2012 the Company announced that options over 322,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 966,000 options over 966,000 shares, have lapsed and will never be exercisable. The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquiries, and determined that the 2011 Non-Financial Performance Conditions had been satisfied as to 54% of the 70% weighting of those 2011 Non-Financial Performance Conditions, resulting in the forfeiture of 966,000 options in total.

Refer to detailed information in the Remuneration Report for the terms and conditions of the First Tranche of Options.

Options Issued on 29 November 2011 ("Second Tranche of Options")
Subject to the terms and conditions of the 2010 Share Option Plan, the Company issued 1,000,000 options to subscribe for 1,000,000 fully paid ordinary shares in the Company, at an exercise price of $2.03 per option, on 29 November 2011, to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith ("Second Tranche of Options"). The qualifying period for the second tranche of options is the three years ending 30 June 2014. The second tranche of options were independently valued at grant date by Mercer (Australia) Pty Limited utilising the assumptions underlying the Black-Scholes methodology. These assumptions included the following:

- dividend yield 4.6%
- expected volatility 37.0%
- risk free rate as derived from the yield on Australian Government Bonds of the appropriate term

Under this valuation methodology, the value of each option in the Second Tranche of Options was $0.51 per option or $1,530,000 in total.

Refer to detailed information in the Remuneration Report for the terms and conditions of the Second Tranche of Options.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Reserves

	CONSOLIDATED $000						
	Asset revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Total
At 1 July 2010	68,980	(20,107)	1,354	(1,201)	7,392	-	**56,418**
Revaluation of land and buildings	(604)	-	-	-	-	-	**(604)**
Tax effect of revaluation of land and buildings	(1,819)	-	-	-	-	-	**(1,819)**
Unrealised gains on available-for-sale investments	-	-	973	-	-	-	**973**
Net gain on interest rate swap	-	-	-	563	-	-	**563**
Tax effect of net gain on interest rate swap	-	-	-	(169)	-	-	**(169)**
Reverse expired or realised cash flow hedge reserves	-	-	-	(61)	-	-	**(61)**
Net gain on forward foreign exchange contracts	-	-	-	4	-	-	**4**
Currency translation differences	-	(15,827)	-	-	-	-	**(15,827)**
Acquisition of non-controlling interests	-	-	-	-	-	(6,917)	**(6,917)**
Share based payment	-	-	-	-	419	-	**419**
Reversal of share expenses	-	-	-	-	(359)	-	**(359)**
At 30 June 2011	66,557	(35,934)	2,327	(864)	7,452	(6,917)	**32,621**
At 1 July 2011	66,557	(35,934)	2,327	(864)	7,452	(6,917)	**32,621**
Revaluation of land and buildings	9,072	-	-	-	-	-	**9,072**
Tax effect of revaluation of land and buildings	(3,400)	-	-	-	-	-	**(3,400)**
Unrealised gains on available-for-sale investments	-	-	1,027	-	-	-	**1,027**
Net loss on interest rate swap	-	-	-	(18,704)	-	-	**(18,704)**
Tax effect of net loss on interest rate swap	-	-	-	5,613	-	-	**5,613**
Reverse expired or realised cash flow hedge reserves	-	-	-	95	-	-	**95**
Net loss on forward foreign exchange contracts	-	-	-	(37)	-	-	**(37)**
Tax effect of net loss on forward foreign exchange contracts	-	-	-	11	-	-	**11**
Currency translation differences	-	565	-	-	-	-	**565**
Acquisition of non-controlling interests	-	-	-	-	-	(7,821)	**(7,821)**
Share based payment	-	-	-	-	966	-	**966**
Reversal of share expenses	-	-	-	-	(632)	-	**(632)**
At 30 June 2012	72,229	(35,369)	3,354	(13,886)	7,786	(14,738)	**19,376**

Nature and purpose of reserves

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of "owner occupied" land and buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Available for sale reserve

This reserve records fair value changes on available-for-sale investments.

(d) Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Reserves (continued)

(e) Employee equity benefits reserve
This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.
(f) Acquisition reserve
This reserve is used to record the consideration paid in excess of carrying value of non-controlling interests. The additional acquisition reserve of $7.82 million recognised in the current year is primarily attributable to the additional shareholding acquired in Pertama Holdings Limited, Singapore ("Pertama") by Harvey Norman Singapore Pte Limited ("HNS"), a wholly-owned subsidiary of Harvey Norman Holdings Limited. Shares in Pertama are listed on the Stock Exchange of Singapore. A total of 12,592,150 shares in Pertama were purchased by HNS in several on-market acquisitions during the year for a total purchase consideration of $8.18 million Singaporean dollars. These acquisitions resulted in an increase in the effective shareholding of HNS in Pertama from 58.23% to 63.41%.

The charge to the acquisition reserve of $7.82 million represents the excess of the consideration paid for the shares relative to the carrying value of non-controlling interest in Pertama and an additional controlled partnership. The additional shareholding resulted in an increase in the controlling interest of the subsidiary and has been recognised as a negative adjustment to equity.

	CONSOLIDATED	
	2012 $000	2011 $000
24. Retained Profits and Dividends		
Movements in retained earnings were as follows:		
Balance 1 July	1,901,350	1,787,196
Profit for the year	172,471	252,255
Dividends	(116,855)	(138,101)
Balance at end of the year	1,956,966	1,901,350
Dividends declared and paid during the year:		
Dividends on ordinary shares:		
Final franked dividend for 2011: 6.0 cents (2010: 7.0 cents)	63,739	74,362
Interim franked dividend for 2012: 5.0 cents (2011: 6.0 cents)	53,116	63,739
Total dividends paid	116,855	138,101

The final dividend for the year ended 30 June 2011 was paid on 5 December 2011.

The interim dividend for the year ended 30 June 2012 was paid on 7 May 2012.

Proposed for approval at AGM (not recognised as a liability as at 30 June):

	2012 $000	2011 $000
Dividends on ordinary shares:		
Final franked dividend for 2012: 4.0 cents (2011: 6.0 cents)	42,493	63,739

The proposed final dividend for the year ended 30 June 2012 is to be paid on 3 December 2012 to shareholders registered at 5:00 pm, 2 November 2012.

Franking credit balance

The amount of franking credits available for the subsequent financial years are:

	2012 $000	2011 $000
- franking account balance as at the end of the financial year at 30%	665,794	667,917
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	7,673	3,635
- franking credits that will be utilised in the payment of proposed final dividend	(18,211)	(27,317)
The amount of franking credits available for future reporting periods:	655,256	644,235

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED	
	2012	2011
	$000	$000
25. Non-Controlling Interests		
Interest in:		
- Ordinary shares	12,404	26,991
- Reserves	5,746	(8,407)
- Retained earnings	12,780	16,296
Total non-controlling interests	30,930	34,880
26. Earnings Per Share		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit after tax	176,315	259,620
Profit after tax attributable to non-controlling interests	(3,844)	(7,365)
Profit after tax attributable to the parent	172,471	252,255

	Number of Shares	
	2012	2011
Weighted average number of ordinary shares used in calculating basic earnings per share (a):	1,062,316,784	1,062,316,784
Effect of dilutive securities (b):		
- Share Options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,062,316,784	1,062,316,784

(a) Weighted Average Number of Ordinary Shares

The number of ordinary shares on issue 30 June 2012 was 1,062,316,784 (June 2011: 1,062,316,784).

There has been no movement in the weighted average number of ordinary shares used in calculating basic earnings per share as there has been no movement in the number of shares on issue since the previous reporting period.

There has been no exercise of share options granted under the Executive Option Plan ("EOP") in respect of previous years.

(b) Effect of Dilutive Securities

On 29 November 2010, the consolidated entity issued 3,000,000 unlisted options to certain executive directors (the "First Tranche of Options"). These options are capable of exercise from 1 January 2014 to 30 June 2016 at an exercise price of $3.02 per option. The options were valued at grant date utilising the assumptions underlying the Black-Scholes methodology. Under this valuation methodology, the value of each option was $0.87 per option or $2,610,000 in total.

The Remuneration Committee assessed each component of the 2011 Critical Success Factors to determine whether the non-financial performance conditions of the First Tranche of Options (weighted as to 70%) were met. The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquires, and determined that the 2011 Critical Success Factors had been satisfied as to 54% of the 70% weighting, resulting in the resolution that 966,000 options over 966,000 shares in the First Tranche of Options had lapsed and will never be exercisable.

On 29 November 2011, the consolidated entity issued 3,000,000 unlisted options to certain executive directors (the "Second Tranche of Options"). These options are capable of exercise from 1 January 2015 to 30 June 2017 at an exercise price of $2.03 per option. The options were valued at grant date utilising the assumptions underlying the Black-Scholes methodology. Under this valuation methodology, the value of each option was $0.51 per option or $1,530,000 in total.

Options issued pursuant to the First Tranche and the Second Tranche have both been excluded from the calculation of diluted earnings per share as the exercise price of each of the options granted was higher than the average market price of an ordinary share as calculated during the year.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000

27. Cash and Cash Equivalents

(a) *Reconciliation to the Statement of Cash Flows*

	2012 $000	2011 $000
Cash and cash equivalents comprise the following at end of the year:		
Cash at bank and on hand	141,159	114,353
Short term money market deposits	31,300	48,426
	172,459	162,779
Bank overdraft	(32,366)	(44,050)
Cash and cash equivalents at end of year	140,093	118,729

(b) *Reconciliation of Profit After Income Tax to Net Operating Cash Flows:*

	2012 $000	2011 $000
Profit after tax	176,315	259,620
Adjustments for:		
Net foreign exchange gain	(1,318)	(2,258)
Bad and doubtful debts	1,438	1,999
Provision for inventory obsolescence	(1,901)	(336)
Share of joint ventures	(13,742)	(17,888)
Depreciation of property, plant and equipment	78,241	81,594
Amortisation	9,821	7,773
Impairment of fixed assets	3,004	2,071
Revaluation of investment properties and properties held under joint ventures	27,768	(15,455)
Reversal of a previous property revaluation decrement	(2,775)	-
Net profit on property development	(10,000)	-
Deferred lease expenses	(477)	353
Provision for onerous leases	2,912	860
Other provisions	104	107
Discount on interest-free long term receivables	83	150
Accretion of interest-free long term receivables	(152)	(216)
Executive remuneration including shares and options expense	1,789	2,669
Realised / unrealised gain on interest rate swap	-	(230)
Accrued income items	(5,511)	(3,150)
Transfers to provisions:		
- Employee entitlements	(5,672)	5,494
- Doubtful debts	1,324	(2,533)
Profit on disposal and revaluation of:		
- Property, plant and equipment, and listed securities	3,625	(9,726)
Changes in assets and liabilities net of effects from purchase and sale of controlled entities:		
(Increase)/decrease in assets:		
Receivables	47,331	36,299
Inventory	75,222	(74,732)
Other current assets	879	(127)
Deferred tax assets	(5,026)	7
Increase/(decrease) in liabilities:		
Payables and other current liabilities	(188,458)	120,302
Income tax payable	6,121	(33,674)
Net cash from operating activities	200,945	358,973

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 number	2011 number
28. Employee Benefits		
The number of full-time equivalent employees employed as at 30 June are:	**4,937**	5,579

	2012 $000	2011 $000
The aggregate employee benefit liability is comprised of:		
Accrued wages, salaries and on-costs	**8,087**	10,021
Provisions (current – Note 18)	**15,843**	20,450
Provisions (non-current – Note 18)	**1,278**	2,343
Total employee benefit provisions	**25,208**	32,814

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 2012	Number of Options Outstanding 2011	Number of Options Vested 2012	Number of Options Vested 2011
26/11/2007	25/11/2012	$6.77	**-**	-	**-**	-
29/11/2010	30/06/2016	$3.02	**2,034,000**	3,000,000	**-**	-
29/11/2011	30/06/2017	$2.03	**3,000,000**	-	**-**	-
			5,034,000	3,000,000	**-**	-

Refer to Note 30 Key Management Personnel for further information.

	CONSOLIDATED 2012 $	2011 $
29. 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	**1,434,377**	1,563,265
- tax services in relation to the entity and any other entity in the consolidated entity	**245,057**	479,655
- other services in relation to the entity and any other entity in the consolidated entity	**45,135**	23,491
Total received by Ernst & Young	**1,724,569**	2,066,411

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Key Management Personnel

(a) *Details of Key Management Personnel*

(i) DIRECTORS	*Title*	*(ii) EXECUTIVES*	*Title*
Gerald Harvey	Executive Chairman	Martin Anderson	General Manager – Generic Publications Pty Limited
Kay Lesley Page	Executive Director and Chief Executive Officer	Rodney Orrock	General Manager – Domayne
John Evyn Slack-Smith	Executive Director and Chief Operating Officer	Thomas James Scott	General Manager – Property
David Ackery	Executive Director	Gordon Ian Dingwall	Chief Information Officer (appointed 1 December 2011 formerly General Manager – Information Technology)
Chris Mentis	Chief Financial Officer and Company Secretary		
Christopher Herbert Brown	Non-Executive Director		
Michael John Harvey	Non-Executive Director		
Ian John Norman	Non-Executive Director		
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)		
Graham Charles Paton AM	Non-Executive Director (Independent)		

(b) *Compensation of Key Management Personnel*

The total remuneration paid or payable to Key Management Personnel of the consolidated entity is as follows:

	CONSOLIDATED	
	2012	2011
	$	$
Short – term	9,346,068	10,451,572
Post employment	183,257	188,245
Share – based payment	791,739	418,632
Reversal of share-based payment expenses	(631,851)	-
Termination payment	-	226,663
	9,689,213	11,285,112

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Key Management Personnel (continued)

(c) *Option Holdings of Key Management Personnel (Consolidated)*

30 June 2012	Balance at Beginning of Period	Granted as Remuneration	Options Exercised	Net Change Other (a)	Balance at End of Period	Vested at 30 June 2012 Total	Exercisable	Not Exercisable
Directors	01/07/2011				30/06/2012			
G. Harvey	-	-	-	-	-	-	-	-
K.L. Page	-	-	-	-	-	-	-	-
J.E. Slack-Smith	1,000,000	1,000,000	-	(322,000)	1,678,000	-	-	-
D.M. Ackery	1,000,000	1,000,000	-	(322,000)	1,678,000	-	-	-
C. Mentis	1,000,000	1,000,000	-	(322,000)	1,678,000	-	-	-
M.J. Harvey	-	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-	-
I.J. Norman	-	-	-	-	-	-	-	-
K.W. Gunderson-Briggs	-	-	-	-	-	-	-	-
G.C. Paton	-	-	-	-	-	-	-	-
Executives								
R. Orrock	-	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-	-
T.J. Scott	-	-	-	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-	-	-	-
	3,000,000	3,000,000	-	(966,000)	5,034,000	-	-	-

(a) Explanation of Net Change Other Column:

The Remuneration Committee assessed each component of the 2011 Critical Success Factors to determine whether the non-financial performance conditions of the First Tranche of Options (weighted as to 70%) were met. The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquires, and determined that the 2011 Critical Success Factors had been satisfied as to 54% of the 70% weighting, resulting in the resolution that 966,000 options over 966,000 shares in the First Tranche of Options had lapsed and will never be exercisable.

30 June 2011	Balance at Beginning of Period	Granted as Remuneration	Options Exercised	Net Change Other (b)	Balance at End of Period	Vested at 30 June 2011 Total	Exercisable	Not Exercisable
Directors	01/07/2010				30/06/2011			
G. Harvey	900,000	-	-	(900,000)	-	-	-	-
K.L. Page	1,000,000	-	-	(1,000,000)	-	-	-	-
J.E. Slack-Smith	800,000	1,000,000	-	(800,000)	1,000,000	-	-	-
D.M. Ackery	800,000	1,000,000	-	(800,000)	1,000,000	-	-	-
C. Mentis	350,000	1,000,000	-	(350,000)	1,000,000	-	-	-
M.J. Harvey	-	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-	-
I.J. Norman	-	-	-	-	-	-	-	-
K.W. Gunderson-Briggs	-	-	-	-	-	-	-	-
G.C. Paton	-	-	-	-	-	-	-	-
Executives								
R. Orrock	-	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-	-
T.J. Scott	-	-	-	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-	-	-	-
	3,850,000	3,000,000	-	(3,850,000)	3,000,000	-	-	-

(b) Explanation of Net Change Other Column:

The options pursuant to the 2007 EOP Allocation were subject to testing during each of the financials years in the qualifying period to determine whether Performance Conditions 1 and 2 were satisfied in accordance with the terms set out in the notice of meeting that accompanied the allocation. During each of the three financial years ending 30 June 2010, the earnings per share hurdle was not satisfied. As this performance condition must be met in order for any of the options to vest, the options in respect of the 2007 EOP Allocation did not vest as at 31 August 2010 and were not capable of exercise by the participants from 1 September 2010. On 27 September 2010, the Board of the Company determined that the 2007 EOP Allocation had lapsed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Key Management Personnel (continued)

(d) *Shareholdings of Key Management Personnel*

Shares held in Harvey Norman Holdings Limited (number):

30 June 2012	Balance 1 July 2011	Granted as Remuneration	On Exercise of Options	Net Change Other (a)	Balance 30 June 2012
Directors					
G. Harvey	311,959,532	-	-	550,000	312,509,532
K.L. Page	16,995,133	-	-	-	16,995,133
J.E. Slack-Smith	259,999	-	-	-	259,999
D. Ackery	146,667	-	-	-	146,667
C. Mentis	7,450	-	-	-	7,450
M.J. Harvey	2,845,553	-	-	-	2,845,553
C.H. Brown	103,467	-	-	-	103,467
I.J. Norman	175,249,660	-	-	-	175,249,660
K.W. Gunderson-Briggs	3,000	-	-	-	3,000
G.C. Paton	15,000	-	-	-	15,000
Executives					
R. Orrock	-	-	-	-	-
M.L. Anderson	-	-	-	-	-
T.J. Scott	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-
Total	507,585,461	-	-	550,000	508,135,461

(a) Net change other includes the market acquisitions and market disposals of ordinary shares in the Company as well as any off-market trades and off-market transfers of ordinary shares.

On 6 October 2011, K. L. Page conducted several off-market transfers to dispose of 138,196 ordinary shares which were directly held and disposed of her beneficial interest in 30,210 ordinary shares held by K. Page Pty Limited. These ordinary shares were acquired by her beneficial interest in K. Page Superannuation Fund Pty Limited. There was no change in the total number of ordinary shares either directly or indirectly held by K. L. Page during the year ended 30 June 2012.

On 19 December 2011, G. Harvey acquired 550,000 shares in the Company thereby increasing his shareholding to 312,509,532 ordinary shares in Harvey Norman Holdings Limited as at 30 June 2012.

30 June 2011	Balance 1 July 2010	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2011
Directors					
G. Harvey	311,959,532	-	-	-	311,959,532
K.L. Page	16,995,133	-	-	-	16,995,133
J.E. Slack-Smith	259,999	-	-	-	259,999
D. Ackery	146,667	-	-	-	146,667
C. Mentis	-	-	-	7,450	7,450
M.J. Harvey	2,845,553	-	-	-	2,845,553
C.H. Brown	103,467	-	-	-	103,467
I.J. Norman	175,249,660	-	-	-	175,249,660
K.W. Gunderson-Briggs	3,000	-	-	-	3,000
G.C. Paton	15,000	-	-	-	15,000
Executives					
R. Orrock	-	-	-	-	-
M.L. Anderson	-	-	-	-	-
T.J. Scott	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-
Total	507,578,011	-	-	7,450	507,585,461

Notes to the Financial Statements (continued)

30. Key Management Personnel (continued)

(d) *Shareholdings of Key Management Personnel (continued)*

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the consolidated entity would have adopted if dealing at arm's length.

(e) *Loans to Key Management Personnel*

(i) Details of aggregates of loans to key management personnel are as follows :

	Balance at beginning of period	Interest charged	Interest not charged	Write-off	Balance at End of Period	Number in Group
	$000	$000	$000	$000	$000	No.
2012						
Directors	200	4	-	-	-	1
Executives	-	-	-	-	-	-
	200	4	-	-	-	1
2011						
Directors	-	4	-	-	200	1
Executives	110	9	-	-	55	2
	110	13	-	-	255	3

Terms and Conditions of Loans

No new loans were granted to key management personnel during the year ended 30 June 2012. The loan to a director of the Company was repaid in full in August 2011.

During the year ended 30 June 2011, the consolidated entity advanced a loan to two (2) key management personnel and has charged the individuals a commercial rate of interest.

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

	Balance at beginning of period	Interest charged	Interest not charged	Write-off	Balance at End of Period	Highest Owing in Period
	$000	$000	$000	$000	$000	No.
2012						
Directors	200	4	-	-	-	201
Executives	-	-	-	-	-	-
2011						
Directors	-	4	-	-	200	201
Executives	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Key Management Personnel (continued)

(f) *Other Transactions and Balances with Key Management Personnel*

	CONSOLIDATED 2012 $	CONSOLIDATED 2011 $
(i) Loans from directors to subsidiaries of Harvey Norman Holdings Limited:		
Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) borrowed money from entities associated with I.J. Norman, M.J. Harvey, A.B. Brew and G. Harvey. Interest is payable at commercial rates. These loans are unsecured and repayable at call.	32,406,368	36,943,812
Net amounts (paid to) / received from entities associated with the above mentioned directors and their related parties.	(4,537,444)	4,246,509
Interest paid/payable	2,122,905	2,166,333
(ii) Legal fees paid to a director-related entity:		
Legal fees were paid to the firm of which Mr C.H. Brown is a partner for professional services rendered to the consolidated entity in the normal course of business.	2,242,169	1,045,252
(iii) Lease of business premises from Ruzden Pty Limited:		
The consolidated entity leases business premises at Bundall, Queensland from Ruzden Pty Limited. Mr G. Harvey, Ms K.L. Page, Mr M.J. Harvey, Mr I.J. Norman and Mr A.B. Brew have an equity interest in Ruzden Pty Limited. The lease arrangements were approved by shareholders in the General Meeting held 25 May 1993, and in the General Meeting held 31 August 1999. The lease is subject to normal commercial terms and conditions. Rent paid by the consolidated entity to Ruzden Pty Limited is:	4,087,523	3,977,720
(iv) Other income derived by related entities of key management personnel:		
Certain franchises are operated by entities owned or controlled by relatives of key management personnel under normal franchisee terms and conditions. Aggregated net income derived by entities owned or controlled by relatives of key management personnel is:	1,148,527	1,605,224

(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 $26.60 million. In the financial report for the year ended 30 June 2012 this has been accounted for as a joint venture entity as disclosed in Note 36 to the financial statements. 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 2012 was $1.73 million each and for the year ended 30 June 2011 was $1.78 million.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Key Management Personnel (continued)

(f) *Other Transactions and Balances with Key Management Personnel (continued)*

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

By a contract for sale dated 15 May 2002, a company (of which Gerald Harvey was a director) acting in its capacity as trustee of a trust, as to a one half share as tenant in common (the "GH entity"), 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 (the "Byron Bay JV"). In the financial report for the year ended 30 June 2012, this has been accounted for as a joint venture entity as disclosed in Note 36. 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. Each of the GH entity and a subsidiary of Harvey Norman Holdings Limited received capital distributions in the sum of $0.65 million (2011: $0.55 million). Each of the GH entity and a subsidiary of Harvey Norman Holdings Limited made additional capital contributions to the Byron Bay JV of $0.20 million (2011: $0.34 million).

A subsidiary of Harvey Norman Holdings Limited held a conference at The Byron at Byron Resort and paid the Byron Bay JV conference fees amounting to $0.11 million for the year ended 30 June 2012 (2011: $0.10 million).

(vii) *Gepps Cross Retail Complex*

By a contract for sale dated 18 December 2007, a subsidiary of the Company ("HNHL G.C. Entity") and Axiom Properties Fund Limited ("G.C. Co-Owner") purchased land located in Gepps Cross, South Australia ("G.C. Land") in equal shares as tenants in common, for the purpose of constructing and subsequently managing a retail complex on the G.C. Land ("the Gepps Cross Joint Venture"). In November 2009, HNHL G.C. Entity and the G.C. Co-Owner granted a lease of part of the G.C. Land and retail complex to a subsidiary of the Company ("G.C. Lessee") on arm's length commercial terms ("G.C. Lease"). In August 2010, the G.C. Co-Owner informally advised the Company that the G.C. Co-Owner intended or wished to dispose of its interest in the Gepps Cross Joint Venture, triggering first and last rights of refusal in the HNHL G.C. Entity. At a meeting of the Company held 26 August 2010, it was resolved that the Company not purchase the share of the G.C. Co-Owner in the Gepps Cross Joint Venture (including G.C. Land). On 6 October 2010, HNHL G.C. Entity formally waived the right to purchase the interest of the G.C. Co-Owner in the Gepps Cross Joint Venture (including the G.C. Land). By a contract for sale dated 23 December 2010, GH Gepps Cross Pty Limited, an entity associated with Gerald Harvey ("Gerald Harvey Entity") and MJH Gepps Cross Pty Limited, an entity associated with Michael Harvey ("Michael Harvey Entity") and, M&S Gepps Cross Pty Limited, purchased the one half share as tenant in common of the G.C. Co-Owner in the G.C. Land and retail complex. The sale was subject to the G.C. Lease. The Gerald Harvey Entity is entitled to one quarter of the rental and outgoings paid by the G.C. Lessee amounting to $0.64 million for the year ended 30 June 2012 (2011: $0.32 million). The Michael Harvey Entity is entitled to one eighth of the rental and outgoings paid by the G.C. Lessee amounting to $0.32 million for the year ended 30 June 2012 (2011: $0.16 million).

The Gepps Cross Joint Venture has been accounted for as equity accounted investment as disclosed in Note 36. The Gerald Harvey Entity is entitled to one quarter of the profits generated by the retail complex on the G.C. Land amounting to $1.37 million for the year ended 30 June 2012 (2011: $0.66 million). The Michael Harvey Entity is entitled to one eighth of the profits generated by the retail complex on the G.C. Land amounting to $0.68 million for the year ended 30 June 2012 (2011: $0.33 million).

(viii) National Rugby League Limited

Ms. K.L. Page was a director of National Rugby League Limited and resigned in February 2012. During the financial year, wholly owned subsidiaries of Harvey Norman Holdings Limited paid for advertising and sponsorships totalling $3.91 million (2011: $3.38 million) to National Rugby League Limited. All dealings with that entity are in the ordinary course of business and on arm's length commercial terms and conditions.

(ix) Gazal Corporation Limited

Mr. G.C. Paton is an independent, non-executive director of Gazal Corporation Limited, a public company listed on the Australian Stock Exchange. A wholly-owned subsidiary of the consolidated entity owns 1.0 million shares in Gazal Corporation Limited with a market value of $1.75 million as at 30 June 2012 (2011: $2.00 million). The consolidated entity received dividends from Gazal Corporation Limited amounting to $0.18 million for the year ended 30 June 2012 (2011: $0.13 million).

During the year ended 30 June 2012 Harvey Norman Shopfitting Pty Limited, a wholly-owned subsidiary of Harvey Norman Holdings Limited, provided shopfitting services on normal commercial terms and conditions to Gazal Corporation Limited. The value of the shopfitting sales to Gazal was $0.087 million (2011: $3.89 million). Mr. G.C. Paton did not direct, manage or otherwise participate in any of the arrangements between Harvey Norman Shopfitting Pty Limited and Gazal Corporation Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. 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 2012 $	CONSOLIDATED 2011 $
(b)	*Transactions with Other Related Parties*		
-	Several controlled entities of Harvey Norman Holdings Limited operate inter-company loan accounts with other wholly owned subsidiaries. The function of these inter-company loans is to facilitate the reimbursement of expenses paid by wholly-owned subsidiaries in Australia including travel expenses, advertising, marketing support, courier costs, other miscellaneous expenses and to provide working capital funding from time to time. Inter-company loans have been eliminated on consolidation.		
	The amount of such inter-company loans at balance date were:	217,589,235	234,490,962
-	Network Consumer Finance Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) acts as financier to several controlled partnerships and controlled entities. These controlled partnerships and controlled entities request advances from Network Consumer Finance Pty Limited to pay for general working capital expenses including, but not limited to, wages, travel, rental and other operating costs. Inter-company loans are at arm's length terms and conditions and have been eliminated on consolidation.		
	- The amount of inter-company loans at balance date was:	40,284,121	43,114,358
	- The aggregate amount of interest charged by Network Consumer Finance Pty Limited to controlled partnerships and controlled entities was at normal commercial terms and conditions. The aggregate amount of interest charged was:	988,415	1,224,886
-	Several controlled entities of Harvey Norman Holdings Limited operate loan accounts with other related parties, mainly consisting of joint venture entities and the other joint venturer to joint venture entities. Refer to Note 5.		
	The amount of other related party loans at balance date was:	20,442,118	27,695,629
-	The consolidated entity has a payable to other related parties at arm's length terms and conditions amounting to the following at balance date:	12,253,069	7,370,996

32. Commitments

		2012 $000	2011 $000
(a)	*Capital expenditure contracted but not provided is payable as follows:*		
	Not later than one year	37,589	95,562
	Later than one year but not later than five years	2,893	7,004
	Total capital expenditure commitments	40,482	102,566

The consolidated entity had contractual obligations to purchase property, plant and equipment, investment properties and joint venture properties of $40.48 million (2011: $102.57 million). The contractual obligations relating to property, plant and equipment are mainly for the construction of new stores of overseas controlled entities. The contractual obligations relating to investment properties are mainly for the construction of proposed franchised complexes in Australia. Included in the above disclosure are the contractual obligations relating to joint venture properties of $1.28 million for the year ended 30 June 2012 (2011: $0).

(b) *Lease expenditure commitments:*

		2012	2011
(i)	Finance lease rentals are payable as follows:		
	Not later than one year	131	198
	Later than one year but not later than five years	12	-
	Minimum finance lease payments	143	198
	Deduct future finance charges	(14)	(30)
	Total finance lease liabilities	129	168

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2012 $000	2011 $000

32. Commitments (continued)

(b) *Lease expenditure commitments (continued):*

	2012 $000	2011 $000
Disclosed as follows:		
Current liabilities (refer Note 16)	117	168
Non-current liabilities (refer Note 19)	12	-
Total finance lease liabilities	129	168

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 12 for net book value of capitalised lease assets).

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

	2012 $000	2011 $000
- Not later than one year	152,976	153,049
- Later than one year but not later than five years	413,202	433,424
- Later than five years	268,814	371,803
Total operating lease liabilities	834,992	958,276

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.

(iii) Geographic representation of operating lease expenditure:

30 June 2012	Australia $000	New Zealand $000	Asia $000	Ireland and Northern Ireland $000	Croatia $000	Total $000
- Not later than one year	111,838	8,441	13,440	17,738	1,519	152,976
- Later than one year but not later than five years	301,055	22,549	13,334	71,213	5,051	413,202
- Later than five years	110,870	4,335	-	153,609	-	268,814
Total operating lease liabilities	523,763	35,325	26,774	242,560	6,570	834,992

30 June 2011	Australia $000	New Zealand $000	Asia $000	Ireland and Northern Ireland $000	Croatia $000	Total $000
- Not later than one year	112,576	7,703	13,903	18,867	-	153,049
- Later than one year but not later than five years	315,162	24,397	16,462	77,403	-	433,424
- Later than five years	160,545	7,010	-	204,248	-	371,803
Total operating lease liabilities	588,283	39,110	30,365	300,518	-	958,276

33. Contingent Liabilities

Guarantees

As at 30 June 2012, Harvey Norman Holdings Limited had guaranteed the performance of a number of controlled entities which have entered into operating leases and facilities with other parties totalling $274.93 million (2011: $352.07 million).

34. Financial Risk Management

(a) *Financial Risk Management Objectives and Policies*

The consolidated entity's principal financial instruments are comprised of:

- receivables
- payables
- bills payable
- available for sale investments
- shares held for trading; and
- derivatives

The consolidated entity manages its exposure to key financial risks, such as interest rate and currency risk in accordance with the consolidated entity's financial risk management policy, as outlined in the Treasury Policy. The objective of the policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security.

The consolidated entity enters into derivative transactions, principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the consolidated entity's operations and its sources of finance.

The main risks arising from the consolidated entity's financial instruments are:

- foreign currency risk
- interest rate risk
- equity price risk
- credit risk; and
- liquidity risk

The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include:

- monitoring levels of exposure to interest rate and foreign exchange risk;
- monitoring assessments of market forecasts for interest rate, foreign exchange and commodity prices;
- ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk; and
- liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and endorses policies for managing each of these risks as summarised below:

- the setting of limits for trading in derivatives; and
- hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

(b) *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Components of market risk to which the consolidated entity are exposed are discussed below.

(i) *Foreign Currency Risk Management*

Foreign currency risk refers to the risk that the value of financial instruments, recognised asset or liability will fluctuate due to changes in foreign currency rates. The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The consolidated entity's foreign currency exchange risk arises primarily from:

- receivables or payables denominated in foreign currencies; and
- firm commitments or highly probable forecast transactions for payments settled in foreign currencies.

The consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to:

- United States dollars;
- New Zealand dollars;
- Euro;
- Singapore dollars;
- Malaysian ringgit; and
- Croatian kuna

The consolidated entity minimises its exposure to foreign currency risk by initially seeking contracts effectively denominated in the consolidated entity's functional currency where possible and economically favourable to do so. Foreign exchange risk that arises from firm commitments or highly probable transactions is managed principally through the use of forward foreign currency exchange contracts. The consolidated entity hedges a proportion of these transactions in each currency in accordance with the Treasury Policy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(i) *Foreign Currency Risk Management (continued)*

At 30 June 2012, the consolidated entity had the following exposure to foreign currency risk that is not denominated in the functional currency of the relevant subsidiary. All amounts have been converted to Australian dollars using applicable rates.

	CONSOLIDATED 2012 $000	2011 $000
Financial assets		
Cash and cash equivalents	**4,838**	9,260
Trade and other receivables	**1,413**	1,592
Other financial assets	**1,292**	8
	7,543	10,860
Financial liabilities		
Trade and other payables	**12,149**	6,755
Interest bearing loans and borrowings	**7,106**	4,738
Derivatives payable	**184**	34
	19,439	11,527
Net exposure	**(11,896)**	(667)

The following sensitivity analysis is calculated based on the foreign currency risk exposures that are not denominated in the functional currency of the relevant subsidiary at balance date. At 30 June 2012, had the various currencies moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	Post Tax Profit increase/(decrease) 2012 $000	2011 $000	Other comprehensive income increase/(decrease) 2012 $000	2011 $000
Consolidated				
Australian subsidiaries				
AUD/EURO + 5% (2011: + 5%)	**14**	(138)	**(51)**	(32)
AUD/EURO - 10% (2011: - 5%)	**(33)**	153	**118**	35
AUD/USD + 5% (2011: + 5%)	**4**	(24)	**(8)**	(2)
AUD/USD - 5% (2011: - 20%)	**(5)**	126	**9**	12
Slovenia subsidiaries				
EURO/USD + 15% (2011: + 10%)	**(37)**	(12)	**-**	-
EURO/USD - 5% (2011: - 15%)	**15**	23	**-**	-
Croatia subsidiaries				
HRK/EURO + 5%	**400**	-	**-**	-
HRK/EURO - 5%	**(442)**	-	**-**	-
HRK/USD + 15%	**39**	-	**-**	-
HRK/USD - 5%	**(16)**	-	**-**	-
Singapore subsidiaries				
SGD/USD + 5% (2011: + 5%)	**1**	1	**-**	-
SGD/USD - 5% (2011: - 15%)	**(1)**	(5)	**-**	-
SGD/EURO + 5% (2011: + 5%)	**(71)**	10	**-**	-
SGD/EURO - 10% (2011: - 5%)	**165**	(11)	**-**	-
SGD/MYR + 5% (2011: + 5%)	**14**	(135)	**-**	-
SGD/MYR - 5% (2011: - 5%)	**(15)**	149	**-**	-
SGD/AUD + 5% (2011: + 30%)	**-**	2	**-**	-
SGD/AUD - 5% (2011: - 10%)	**-**	(3)	**-**	-
New Zealand subsidiaries/branches				
NZ/EURO + 5% (2011: + 5%)	**(6)**	3	**-**	-
NZ/EURO - 10% (2011: - 5%)	**13**	(3)	**-**	-
NZ/USD + 10% (2011: + 5%)	**2**	3	**-**	-
NZ/USD - 10% (2011: - 15%)	**(2)**	(10)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(i) *Foreign Currency Risk Management (continued)*

The sensitivity increases and decreases in exchange rates have been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a 5-year historical data basis and market expectations for potential future movement. The sensitivities of post tax profit in 2012 is comparable to 2011. The movements in other comprehensive income in 2012 are more sensitive than in 2011 because of the increased use of foreign currency contracts designated as cash flow hedges.

(ii) *Interest Rate Risk Management*

Interest rate risk refers to the risk that movements in variable interest rates will affect financial performance by increasing interest expenses or reducing interest income.

Interest rate risk arises from financial assets and liabilities that are subject to floating interest rates. The consolidated entity's exposure to market interest rates relates primarily to:

- Cash and cash equivalents;
- Non-trade debts receivable from related parties and other unrelated persons;
- Bank overdraft;
- Non-trade amounts owing to related parties and other unrelated persons;
- Borrowings; and
- Bills payable.

The consolidated entity manages the interest rate exposure by adjusting the ratio of fixed interest debt to variable interest debt to management's desired level based on current market conditions. Where the actual interest rate profile on the physical debt profile differs substantially from the desired target, the consolidated entity uses derivatives, principally interest rate swaps, to adjust towards the target net debt profile. Under the interest rate swaps the consolidated entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

30 June 2012	Principal Subject to Floating interest rate $000	Fixed interest rate maturing in: 1 year or less $000	Over 1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000	Average interest rate: Floating	Fixed
Financial assets								
Cash	126,245	31,300	-	-	14,914	172,459	0.20%-5.96%	0.045%-0.86%
Consumer finance								
Loans	-	96	44	-	4,041	4,181	-	9.00%-12.50%
Finance lease receivables	-	9,907	8,879	-	-	18,786	-	10.50%-12.50%
Trade debtors	-	-	-	-	985,926	985,926	-	-
Other financial assets	-	-	-	-	33,751	33,751	-	-
Non-trade debtors & loans	19,511	4,144	673	-	1,030	25,358	6.65%-9.46%	5.00%-12.50%
	145,756	45,447	9,596	-	1,039,662	1,240,461		
Financial liabilities								
Bank overdraft	32,366	-	-	-	-	32,366	2.22%-3.47%	-
Borrowings (*)	671,211	464	-	-	-	671,675	0.63%-6.65%	3.67%-5.47%
Interest rate swaps (notional amount)	-	*(100,000)*	*(350,000)*	-	-	*(450,000)*	-	*4.97%-5.54%*
Net exposure	*671,211*	*(99,536)*	*(350,000)*	-	-	*221,675*	*0.63%-6.65%*	*3.67%-5.54%*
Trade creditors	-	-	-	-	647,279	647,279	-	-
Finance lease liabilities	-	117	12	-	-	129	-	3.24%-9.50%
Other loans	44,578	107	-	-	84	44,769	4.50%-6.46%	5.00%-12.00%
Bills payable (*)								
- Australia	9,750	-	-	-	-	9,750	3.69%-4.96%	-
- Slovenia	675	-	-	-	-	675	1.70%-3.57%	-
Other financial liabilities	-	1,015	18,784	-	184	19,983	-	4.97%-5.54%
	758,580	1,703	18,796	-	647,547	1,426,626		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(ii) *Interest Rate Risk Management (continued)*

30 June 2011	Principal Subject to Floating interest rate $000	Fixed interest rate maturing in: 1 year or less $000	Fixed interest rate maturing in: Over 1 to 5 years $000	Fixed interest rate maturing in: More than 5 years $000	Non-interest bearing $000	Total $000	Average interest rate: Floating	Average interest rate: Fixed
Financial assets								
Cash	102,175	48,361	-	-	12,243	162,779	0.02%-10.40%	0.01%-3.00%
Consumer finance loans	-	164	80	-	4,244	4,488	-	9.00%-12.50%
Finance lease receivables	-	8,685	12,596	-	-	21,281	-	10.5%-12.50%
Trade debtors	-	-	-	-	1,023,332	1,023,332	-	-
Other financial assets	-	-	-	-	49,523	49,523	-	-
Non-trade debtors & loans	22,836	10,494	-	-	1,737	35,067	6.87%-9.47%	7.00%-12.50%
	125,011	67,704	12,676	-	1,091,079	1,296,470		
Financial liabilities								
Bank overdraft	44,050	-	-	-	-	44,050	2.40%-3.30%	-
Borrowings (*)	512,786	-	-	-	-	512,786	1.00%-7.60%	-
Interest rate swaps (notional amount)	-	*(100,000)*	*(200,000)*	-	-	*(300,000)*	-	*4.97%-5.51%*
Net exposure	*512,786*	*(100,000)*	*(200,000)*	-	-	*212,786*	*1.00%-7.60%*	*4.97%-5.51%*
Trade creditors	-	-	-	-	854,897	854,897	-	-
Finance lease liabilities	-	168	-	-	-	168	-	1.00%-9.50%
Other loans	45,788	107	-	-	87	45,982	5.62%-6.46%	9.00%-12.00%
Bills payable (*)								
- Australia	9,750	-	-	-	-	9,750	4.65%-4.91%	-
- Singapore	3,787	-	-	-	-	3,787	0.34%-0.40%	-
- Slovenia	33,503	-	-	-	-	33,503	1.70%-3.50%	-
- Space Malaysia	463	-	-	-	-	463	3.67%-5.13%	-
Other financial liabilities	-	-	1,235	-	34	1,269	-	4.97%-5.51%
	650,127	275	1,235	-	855,018	1,506,655		

* The consolidated entity is required to pay interest costs at various floating rates of interest on bank bills. 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.

Sensitivity analysis

The following sensitivity is based on interest rate risk exposures in existence at balance date:

A sensitivity of 50 basis points increase and 50 basis points decrease has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates.

At 30 June 2012, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(ii) *Interest Rate Risk Management (continued)*

	CONSOLIDATED			
	Post Tax Profit		Other comprehensive income	
	increase/(decrease)		increase/(decrease)	
	2012	2011	**2012**	2011
	$000	$000	**$000**	$000
If there was 50 (2011: 50) basis points higher in interest rates with all other variables held constant	**(2,320)**	(2,000)	**(2,542)**	1,845
If there was 50 (2011: 50) basis points lower in interest rates with all other variables held constant	**2,320**	2,000	**(8,673)**	(1,666)

The movements in post tax profit are due to higher/lower interest costs from variable rate debt and cash balances. The movement in other comprehensive income is due to an increase/decrease in the fair value of derivative instruments designated as cash flow hedges.

The movements in post tax profit in 2012 are more sensitive than the movements in 2011 because of an increase in financial liabilities that are subject to variable interest rates. The movements in other comprehensive income in 2012 are more sensitive than the movements in 2011 because of the increased use of interest rate swaps which are designated as cash flow hedges.

(iii) *Equity Price Risk Management*

The consolidated entity is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The consolidated entity does not actively trade these investments. The exposure to the risk of a general decline in equity market values is not hedged as the consolidated entity believes such a strategy is not cost effective. The fair value of the equity investments publicly traded on the ASX was $25.10 million as at 30 June 2012 (2011: $42.17 million). The fair value of the equity investments publicly traded on the NZX was $9.19 million as at 30 June 2012 (2011: $6.08 million).

As at 30 June 2012, if equity prices had been 10% higher/lower while all other variables are held constant, post tax profit and other comprehensive income would have been affected as follows:

	CONSOLIDATED			
	Post Tax Profit		Other comprehensive income	
	increase/(decrease)		increase/(decrease)	
	2012	2011	**2012**	2011
	$000	$000	**$000**	$000
If there was 10% (2011: 10%) increase movement in equity prices with all other variables held constant	**1,832**	3,074	**719**	427
If there was 10% (2011: 10%) decrease movement in equity prices with all other variables held constant	**(1,832)**	(3,074)	**(719)**	(427)

A sensitivity of 10% has been selected as this is considered reasonable given the current level of equity prices, the volatility observed on a historic basis and market expectations for future movement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(c) *Credit Risk*

Credit risk refers to the loss that the consolidated entity would incur if a debtor or other counterparty fails to perform under its contractual obligations.

Credit risk arises from the financial assets of the consolidated entity, which comprise trade and non-trade debtors, consumer finance loans and finance lease receivables. The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The consolidated entity's policies to limit its exposure to credit risks are as follows:

- Conducting appropriate due diligence on counterparties before entering into an arrangement with them. It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regularly monitored; and
- For finance lease receivables or non-trade debts receivable from related parties and other unrelated persons, the consolidated entity obtains collateral with a value equal or in excess of the counterparties' obligation to the consolidated entity.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various countries and industries. In addition, receivable balances are monitored on an ongoing basis.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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:

	CONSOLIDATED	
Location of credit risk	2012 $000	2011 $000
Australia	**992,199**	1,043,402
New Zealand	**20,973**	20,246
Asia	**10,362**	11,696
Slovenia and Croatia	**2,963**	2,249
Ireland and Northern Ireland	**2,032**	2,177
Total	**1,028,529**	1,079,770

(d) *Liquidity Risk*

Liquidity risk includes the risk that, as a result of the consolidated entity's operational liquidity requirements:

- the consolidated entity will not have sufficient funds to settle a transaction on the due date;
- the consolidated entity will be forced to sell financial assets at a value which is less than what they are worth; or
- the consolidated entity may be unable to settle or recover a financial asset at all.

To help reduce these risks, the consolidated entity:

- has readily accessible standby facilities and other funding arrangements in place; and
- maintains instruments that are tradeable in highly liquid markets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(d) *Liquidity Risk (continued)*

The Board reviews this exposure on a monthly basis from a projected 12 month cash flow forecast, listing of banking facilities, explanations of variances from the prior month reports and current funding positions of the overseas controlled entities provided by the Finance Department.

The following table details the consolidated entity's remaining contractual maturity for its financial assets and financial liabilities. The financial assets have been disclosed based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The financial liabilities have been disclosed based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the consolidated entity can be required to pay.

Year ended 30 June 2012 CONSOLIDATED	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Over 5 years $000	Total $000
Non derivative financial assets					
Cash and cash equivalents	172,459	-	-	-	172,459
Trade and other receivables	1,019,785	8,159	2,872	384	1,031,200
Other financial assets	24,396	-	-	9,355	33,751
Total financial assets	1,216,640	8,159	2,872	9,739	1,237,410
Non derivative financial liabilities					
Trade and other payables	647,279	-	-	-	647,279
Interest bearing loans and borrowings	261,337	28,310	555,332	-	844,979
Derivative financial liabilities					
Derivatives	1,199	984	17,800	-	19,983
Total financial liabilities	909,815	29,294	573,132	-	1,512,241
Net maturity	306,825	(21,135)	(570,260)	9,739	(274,831)

Year ended 30 June 2011 CONSOLIDATED	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Over 5 years $000	Total $000
Non derivative financial assets					
Cash and cash equivalents	162,779	-	-	-	162,779
Trade and other receivables	1,067,357	9,644	6,059	406	1,083,466
Other financial assets	41,221	-	-	8,294	49,515
Derivative financial assets					
Derivatives	8	-	-	-	8
Total financial assets	1,271,365	9,644	6,059	8,700	1,295,768
Non derivative financial liabilities					
Trade and other payables	854,897	-	-	-	854,897
Interest bearing loans and borrowings	138,985	558,390	741	-	698,116
Derivative financial liabilities					
Derivatives	-	1,068	201	-	1,269
Total financial liabilities	993,882	559,458	942	-	1,554,282
Net maturity	277,483	(549,814)	5,117	8,700	(258,514)

For detailed information on financing facilities available as at 30 June 2012 refer to Note 20.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Financial Risk Management (continued)

(e) *Fair Value of Financial Instruments*

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- The fair value of current trade receivables and payables is assessed to equal carrying value due to the short-term nature of the assets.
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-option derivatives and option pricing models for option derivatives.

The consolidated entity uses various methods in estimating the fair value of a financial instrument. The methods comprise:
Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Year ended 30 June 2012 CONSOLIDATED	Quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non market observable inputs (Level 3) $000	Total **$000**
Financial Assets				
Listed investments	32,290	-	-	**32,290**
Total Financial Assets	32,290	-	-	**32,290**
Financial Liabilities				
Foreign exchange contracts	-	183	-	**183**
Interest rate swaps	-	19,800	-	**19,800**
Total Financial Liabilities	-	19,983	-	**19,983**

Year ended 30 June 2011 CONSOLIDATED	Quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non market observable inputs (Level 3) $000	Total **$000**
Financial Assets				
Listed investments	48,251	-	-	**48,251**
Foreign exchange contracts	-	8	-	**8**
Total Financial Assets	48,251	8	-	**48,259**
Financial Liabilities				
Foreign exchange contracts	-	34	-	**34**
Interest rate swaps	-	1,235	-	**1,235**
Total Financial Liabilities	-	1,269	-	**1,269**

34. Financial Risk Management (continued)

(e) *Fair Value of Financial Instruments (continued)*

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices and are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Foreign currency forward contracts are measured using quoted forward exchange rates. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. These instruments are included in level 2. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

(f) *Capital Risk Management Policy*

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in Note 16 and 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 22, 23 and 24 respectively. None of the consolidated entity's entities are subject to externally imposed capital requirements.

Management monitor capital through the debt to equity ratio (borrowings / total equity). The target for the consolidated entity's debt to equity ratio is a tolerance level of up to 50%. The debt to equity ratios based on continuing operations at 30 June 2012 and 2011 were as follows:

	CONSOLIDATED	
	2012	2011
	$000	$000
Borrowings (a)	779,347	651,758
Total equity (b)	2,281,620	2,235,378
Debt to equity ratio	34.16%	29.16%

If cash and cash equivalents were to be deducted from total borrowings, the net debt to equity ratio would have been 26.60% for the year ended 30 June 2012 and 21.87% for the year ended 30 June 2011.

(a) Borrowings for the purpose of calculating this debt to equity ratio consists of:
- Bank overdraft;
- Borrowings (current and non-current);
- Commercial bills payable (current and non-current);
- Derivatives payable (current and non-current);
- Lease liabilities (current and non-current); and
- Non trade amounts owing to directors, other related parties and other unrelated persons.

(b) For the purpose of calculating this debt to equity ratio, total equity for the current year excluded the negative acquisition reserve of $14.74 million.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Derivative Financial Instruments

Hedging Instruments

The following table details the derivative hedging instruments as at balance date. The fair value of a hedging derivative is classified as a non current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

	CONSOLIDATED	
	2012	2011
	$000	$000
Current Assets		
Forward currency contracts – held for trading	-	8
Current Liabilities		
Interest swap contracts – cash flow hedges	1,015	-
Forward currency contracts – held for trading	147	-
Forward currency contracts – cash flow hedges	37	-
Non-current Liabilities		
Forward currency contracts – held for trading	-	28
Forward currency contracts – cash flow hedges	-	6
Interest swap contracts – cash flow hedges	18,784	1,235

(a) *Forward currency contracts – held for trading*

The consolidated entity has entered into forward currency contracts which are economic hedges but do not satisfy the requirements of hedge accounting.

			CONSOLIDATED			
			2012		2011	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2012	2011	$000	$000	$000	$000
Euro (0-12 months)	79.79	75.02	4,660	-	666	-
US Dollar (0-12 months)	-	-	-	-	-	-
Euro (12-18 months)	-	70.90	-	-	1,415	-
US Dollar (12-18 months)	-	106.09	-	-	353	-
Total			4,660	-	2,434	-

These contracts are fair valued by comparing the contracted rate to the market rates at balance date. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value losses on foreign currency derivatives during the year were $0.15 million for the consolidated entity (2011: $0.02 million).

(b) *Forward currency contracts – cash flow hedges*

The consolidated entity purchases inventories from various overseas countries. As such, the consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to:

- United States dollars; and
- Euro.

In order to protect against exchange rate movements and to manage the inventory costing process, the consolidated entity has entered into forward exchange contracts to purchase US dollars and Euro. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made. The following table details the forward foreign currency contracts outstanding as at reporting date:

			CONSOLIDATED			
			2012		2011	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2012	2011	$000	$000	$000	$000
Euro (0-12 months)	79.21	-	1,553	-	-	-
US Dollar (0-12 months)	100.31	-	241	-	-	-
Euro (12-18 months)	-	73.76	-	-	914	-
US Dollar (12-18 months)	-	104.08	-	-	69	-
Total			1,794	-	983	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Derivative Financial Instruments (continued)

(c) *Forward currency contracts – cash flow hedges (continued)*

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast inventory purchases and firm committed invoice payments for inventory purchases. During the year the hedges were 100% effective (2011: 100% effective), therefore gain or loss on the contracts attributable to the hedged risk is taken directly to equity. When the inventory is delivered the amount recognised in equity is adjusted to the stock account in the Statement of Financial Position.

Movement in forward currency contract cash flow hedge reserve:

	CONSOLIDATED	
	2012	2011
	$000	$000
	Increase/(Decrease)	
Opening balance	4	2
Transferred to inventory	(4)	(2)
Charged to other comprehensive income	(26)	4
Closing balance	(26)	4

(d) *Interest rate swap contracts – cash flow hedges*

Under interest rate swap contracts, the consolidated entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the consolidated entity to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt held.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Outstanding floating for fixed contracts	Average contracted fixed interest rate	Notional principal amount $000	Fair value (Loss)/Gain $000
30 June 2012			
Less than 1 year	5.51%	100,000	(1,015)
1 to 2 years	4.97%	50,000	(984)
2 to 5 years	5.38%	300,000	(17,800)
30 June 2011			
Less than 1 year	-	-	-
1 to 2 years	5.37%	200,000	(1,034)
2 to 5 years	5.09%	100,000	(202)

The floating rate on the Australian interest rate swap is the Australian BBSY. The interest rate swap settles on a monthly basis and the settlement dates coincide with the dates on which interest is payable on the underlying debt. The swap is matched directly against the appropriate loan and interest expense and is considered to be highly effective. The swap is settled on a net basis. The swap is measured at fair value and the gain or loss attributable to the hedged risk is taken directly to equity and reclassified into profit and loss when the interest expense is recognised.

Movement in interest rate swap contract cash flow hedge reserve:

	CONSOLIDATED	
	2012	2011
	$000	$000
	Increase/(Decrease)	
Opening balance	(866)	(1,203)
Transferred to interest expense/interest income	97	(57)
Charged to equity	(13,091)	394
Closing balance	(13,860)	(866)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. Associates and Joint Venture Entities

	CONSOLIDATED Investment 2012 $000	2011 $000	CONSOLIDATED Share of net profit 2012 $000	2011 $000
Total joint venture entities accounted for using the equity method	157,992	158,978	13,742	17,888

Name and Principal activities	Ownership Interest 2012 %	2011 %	Contribution to Net Profit / (Loss) 2012 $000	2011 $000	Contribution to Property Revaluation 2012 $000	2011 $000
New Zealand						
- Lincoln Junction	50%	50%	-	311	-	-
Noarlunga						
- Shopping complex	50%	50%	1,012	925	1,193	-
Perth City West						
- Shopping complex	50%	50%	3,954	3,917	-	-
Kelso						
- Residential development	-	50%	(2)	(1)	-	-
Tweed Heads Expo Park						
- Shopping complex	50%	50%	1,102	1,006	(1,519)	-
Warrawong King St (a)						
- Shopping complex	62.5%	62.5%	1,015	939	250	-
Tweed Heads Traders Way						
- Building development	50%	50%	73	60	(1,398)	-
Sylvania						
- Residential development	-	40%	-	(182)	-	-
Mentone						
- Development of land for resale	-	50%	(295)	7,196	-	-
Byron Bay						
- Residential / convention development	50%	50%	(702)	(730)	-	-
Byron Bay 2						
- Resort operations	50%	50%	434	504	-	-
Dubbo						
- Shopping complex	50%	50%	540	459	(1,031)	-
Cubitt						
- Showroom and warehouse	-	50%	1	550	-	158
Bundaberg						
- Warehouse	50%	50%	(5)	(6)	-	-
Bundaberg 2						
- Land held for investment	50%	50%	(3)	(4)	-	-
QCV Chinchilla (b)						
- Miners residential complex	50%	50%	3,071	1,704	-	-
Gepps Cross						
- Shopping complex	50%	50%	2,737	1,326	-	-
QCV Benaraby 1 (c)						
- Miners residential complex	50%	50%	195	(78)	-	-
QCV Benaraby 2						
- Land held for investment	50%	50%	(27)	(8)	-	-
QCV Fairview (d)						
- Miners residential complex	50%	-	656	-	-	-
QCV Other						
- Other miners residential complexes	50%	-	(14)	-	-	-
			13,742	17,888	(2,505)	158

(a) This joint venture has 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.

(b) A wholly-owned subsidiary of Harvey Norman Holdings Limited ("HNHL") has entered into a joint venture with an unrelated party to provide mining camp accommodation ("the JV"). The JV has been granted a finance facility by the Commonwealth Bank of Australia ("CBA") ("the Chinchilla Facility"). The amount of the Chinchilla Facility is $5.20 million plus interest and costs. HNHL has granted a joint and several guarantee to CBA in respect of the JV under the Chinchilla Facility.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. Associates and Joint Venture Entities (continued)

(c) A wholly-owned subsidiary of HNHL has entered into a joint venture with an unrelated party to provide mining camp accommodation. The JV was granted a finance facility by ANZ Bank ("ANZ") ("the Benaraby Facility"). The total amount of the Benaraby Facility is $14.1 million plus interest and costs. HNHL has granted a joint and several guarantee to ANZ in respect of the JV under the Benaraby Facility.

(d) A wholly-owned subsidiary of Harvey Norman Holdings Limited ("HNHL") has entered into a joint venture with an unrelated party to provide mining camp accommodation. The JV has been granted a finance facility by CBA ("the Fairview Facility"). The amount of the Fairview Facility is $23.30 million plus interest and costs. HNHL has granted a joint and several guarantee to CBA in respect of the JV under the Fairview Facility.

Aggregate carrying amounts of joint venture entities

	CONSOLIDATED 2012			
	Retained Profits $000	Other Reserves $000	Cost $000	Total Carrying Amount $000
Balance at the beginning of the year	-	31,323	127,655	158,978
Movements during the year:				
Capital contributions	-	-	338	338
Revaluation increment	-	(2,505)	-	(2,505)
Distributions received	(13,742)	-	1,090	(12,652)
Share of net profit	13,742	-	-	13,742
Net foreign currency differences arising from foreign operations	-	91	-	91
Balance at the end of the year	-	28,909	129,083	157,992

	CONSOLIDATED 2011			
	Retained Profits $000	Other Reserves $000	Cost $000	Total carrying amount $000
Balance at the beginning of the year	-	32,021	108,560	140,581
Movements during the year:				
Capital contributions	-	-	38,424	38,424
Revaluation increment	-	158	-	158
Reverse revaluation upon disposal	-	(537)	-	(537)
Distributions received	(17,888)	-	(19,329)	(37,217)
Share of net profit	17,888	-	-	17,888
Net foreign currency differences arising from foreign operations	-	(319)	-	(319)
Balance at the end of the year	-	31,323	127,655	158,978

Financial summary of joint venture entities

	CONSOLIDATED 2012 $000	CONSOLIDATED 2011 $000
Current assets	**23,350**	11,135
Non-current assets	**292,513**	261,813
Current liabilities	**(35,131)**	(9,671)
Non-Current liabilities	**(37,269)**	(15,184)
Net Assets	**243,463**	248,093
Revenues	**57,524**	57,495
Expenses	**(30,268)**	(22,840)
Net profit	**27,256**	34,655
Share of net profit of joint venture entities	**13,742**	17,888

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. Business Combination

On 1 July 2010 Harvey Norman CP Pty Limited, a wholly-owned subsidiary of Harvey Norman Holdings Limited ("the Purchaser"), entered into an Asset Sale Agreement ("ASA") with Clive Peeters Limited ACN 058 868 018 (Administrators Appointed) (Receivers & Managers Appointed) ("CP") and certain associated companies of CP ("the Vendors") to purchase certain assets for an estimated purchase price of $55 million inclusive of GST. The ASA was completed on 7 July 2010 and, subsequent to the satisfactory completion of the due diligence by management, a final purchase price of $54.75 million inclusive of GST was agreed with the Receivers.

The Purchaser acquired the inventory and plant and equipment assets of twenty-eight (28) Clive Peeters and Rick Hart stores, the know-how and intellectual property rights and systems of the Vendors less an allowance for employee entitlement provisions and customer deposits received in advance. There was no goodwill recognised pursuant to the Clive Peeters business combination as the purchase consideration paid for the net assets acquired approximated fair value as at acquisition date.

The fair values of the identifiable assets and liabilities of Clive Peeters and Rick Hart as of the date of acquisition were:

	7 July 2010 $000
Assets	
Inventory	44,180
Plant and equipment	10,544
Total assets acquired	54,724
Liabilities	
Employee entitlements	2,869
Customer deposits received in advance	2,087
Total liabilities assumed	4,956
Fair value of identifiable net assets	49,768
Non-controlling interest in identifiable net assets acquired	-
Goodwill arising on acquisition	-
Fair value of identifiable net assets acquired	**49,768**
Acquisition date fair value of consideration transferred:	
Cash paid to Receivers	49,768
GST on assets acquired	4,977
Consideration transferred	54,745
Net cash outflow on acquisition is as follows:	
Cash paid	49,768
Net cash acquired on business combination	-
Net consolidated cash outflow	49,768

In August 2011 the consolidated entity advised the market of its intention to restructure the Clive Peeters and Rick Hart businesses and to cease trading under the impaired brand names. By the end of August 2011, four (4) former Clive Peeters stores and three (3) former Rick Hart stores were closed. The remaining thirteen (13) Clive Peeters stores and five (5) Rick Hart stores were converted to Harvey Norman and Joyce Mayne franchised operations.

The consolidated entity incurred restructuring and closure costs of $8.07 million before tax mainly attributable to redundancy and termination costs, fixed asset write-downs and onerous lease costs for the closed sites. This is less than the expected closure costs previously estimated and reported in August 2011 of approximately $10.00 million before tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. 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.

A.C.N. 098 004 570 Pty Limited
ABSC Online Pty Limited[27]
Achiever Computers Pty Ltd
Aloku Pty Limited[1]
Anwarah Pty Limited[1]
Arisit Pty Limited[1, 2]
Arlenu Pty Limited[1]
Armidale Holdings Pty Limited[21]
Arpayo Pty Limited[1]
Aubdirect Pty Limited
Australian Business Skills Centre Pty Limited[23]
Balwondu Pty Limited[1]
Barrayork Pty Limited
Becto Pty Limited[1]
Bellevue Hill Pty Limited
Bencoolen Properties Pte Limited [16]
Bestest Pty Limited[1]
Bossee Pty Limited
Bradiz Pty Limited[1]
Braxpine Pty Limited[1]
Byron Bay Facilities Pty Limited[24]
Byron Bay Management Pty Limited[25]
Caesar Mosaics Pty Limited
Calardu Albany Pty Limited
Calardu Albury Pty Limited
Calardu Alexandria DM Pty Limited[1]
Calardu Alexandria WH Pty Limited
Calardu Alice Springs Pty Limited
Calardu Armadale WA Pty Limited
Calardu Armidale Pty Limited
Calardu Auburn Pty Limited
Calardu Ballarat Pty Limited
Calardu Ballina No. 1 Pty Limited
Calardu Ballina Pty Limited
Calardu Bathurst Pty Limited
Calardu Beaufort Street Pty Limited
Calardu Belrose DM Pty Limited
Calardu Berri (SA) Pty Limited
Calardu Berrimah Pty Limited
Calardu Broadmeadow Pty Limited
Calardu Broadmeadows VIC Pty Limited
Calardu Browns Plains No. 1 Pty Limited
Calardu Browns Plains Pty Limited
Calardu Bunbury (WA) Pty Limited[1]
Calardu Bundaberg Pty Limited
Calardu Bundaberg WH Pty Limited
Calardu Bundall Pty Limited
Calardu Burnie Pty Limited
Calardu Cambridge Pty Limited
Calardu Campbelltown Pty Limited
Calardu Cannington Pty Limited[1]
Calardu Caringbah (Taren Point) Pty Limited
Calardu Caringbah Pty Limited
Calardu Chatswood Pty Limited
Calardu Crows Nest Pty Limited
Calardu Cubitt Pty Limited
Calardu Darwin Pty Limited
Calardu Devonport Pty Limited
Calardu Dubbo Pty Limited
Calardu Emerald Pty Limited
Calardu Frankston Pty Limited
Calardu Frankston WH Pty Limited
Calardu Fyshwick DM Pty Limited
Calardu Gepps Cross Pty Limited
Calardu Gladstone Pty Limited
Calardu Gordon Pty Limited
Calardu Guildford Pty Limited
Calardu Gympie Pty Limited
Calardu Hervey Bay Pty Limited
Calardu Hobart Pty Limited
Calardu Hoppers Crossing Pty Limited
Calardu Horsham Pty Limited
Calardu Innisfail Pty Limited
Calardu Jandakot No. 1 Pty Limited
Calardu Jandakot Pty Limited
Calardu Joondalup Pty Limited[1]
Calardu Kalgoorlie Oswald St Pty Limited
Calardu Kalgoorlie Pty Limited
Calardu Karana Downs Pty Limited
Calardu Karratha Pty Limited
Calardu Kawana Waters Pty Limited
Calardu Kemblawarra Pty Limited
Calardu Kingaroy Pty Limited
Calardu Kotara Pty Limited
Calardu Launceston Pty Limited
Calardu Lismore Pty Limited
Calardu Loganholme Pty Limited
Calardu Mackay No. 1 Pty Limited
Calardu Mackay No. 2 Pty Limited
Calardu Maitland Pty Limited
Calardu Malaga Pty Limited
Calardu Mandurah Pty Limited
Calardu Maribyrnong Pty Limited[1]
Calardu Marion Pty Limited[1]
Calardu Maroochydore Pty Limited
Calardu Maroochydore Warehouse Pty Limited
Calardu Maryborough Pty Limited
Calardu Melville Pty Limited[1]
Calardu Mentone Pty Limited
Calardu Midland Pty Limited
Calardu Milton Pty Limited
Calardu Morayfield Pty Limited
Calardu Morwell Pty Limited
Calardu Moss Vale Pty Limited
Calardu Mount Isa Pty Limited
Calardu Mt Gambier Pty Limited
Calardu Mudgee Pty Limited
Calardu Munno Para Pty Limited
Calardu Noarlunga Pty Limited
Calardu Noble Park WH Pty Limited
Calardu Noosa Pty Limited[1]
Calardu North Ryde No. 1 Pty Limited[7]
Calardu North Ryde Pty Limited
Calardu Northbridge Pty Limited[1]
Calardu Nowra Pty Limited
Calardu Penrith Pty Limited[1]
Calardu Perth City West Pty Limited
Calardu Port Macquarie Pty Limited[1]
Calardu Preston Pty Limited[1]
Calardu Pty Limited[1]
Calardu Queensland Pty Limited[1]
Calardu Raine Square Pty Limited
Calardu Richmond Pty Limited[1]
Calardu Rockhampton Pty Limited
Calardu Rockingham Pty Limited[1]
Calardu Roselands Pty Limited
Calardu Rothwell Pty Limited
Calardu Rutherford Pty Limited
Calardu Rutherford Warehouse Pty Limited
Calardu Sale Pty Limited
Calardu Silverwater Pty Limited
Calardu South Australia Pty Limited[1]
Calardu Springvale Pty Limited
Calardu Swan Hill Pty Limited
Calardu Sylvania Pty Limited
Calardu Taree Pty Limited
Calardu Taren Point Pty Limited
Calardu Thebarton Pty Limited
Calardu Toorak Pty Limited
Calardu Toowoomba WH Pty Limited
Calardu Townsville Pty Limited
Calardu Tweed Heads Pty Limited[1]
Calardu Tweed Heads Traders Way Pty Limited
Calardu Vicfurn Pty Limited
Calardu Victoria Pty Limited[1]
Calardu Warrawong (Homestarters) Pty Limited
Calardu Warrawong Pty Limited
Calardu Warrnambool Pty Limited[1]
Calardu Warwick Pty Limited
Calardu West Gosford Pty Limited
Calardu Whyalla Pty Limited
Calardu Wivenhoe Pty Limited
Carlando Pty Limited[1]
Charmela Pty Limited[1]
Clambruno Pty Limited[1]
Consolidated Design Group Pty Ltd
Contemporary Design Group Pty Limited[1,2]
CP Aspley Pty Limited
CP Belmont Pty Limited
CP Bendigo Pty Limited
CP Braybrook Pty Limited
CP Bundaberg Leasing Pty Limited
CP Bundaberg Pty Limited
CP Burleigh Waters Pty Limited
CP Coburg Pty Limited
CP Commercial Division Pty Limited
CP Corporate VIC Pty Limited
CP Dandenong Pty Limited
CP Joondalup Pty Limited
CP Loganholme Pty Limited
CP Macgregor Pty Limited
CP Mackay Pty Limited
CP Malvern Pty Limited
CP Mandurah Pty Limited
CP Maroochydoore Pty Limited
CP Maryborough Leasing Pty Limited
CP Maryborough Pty Limited
CP Midland Pty Limited
CP Moonah Pty Limited
CP Moorabbin Pty Limited
CP Morayfield Pty Limited
CP Mornington Pty Limited
CP Mt Druitt Leasing Pty Limited
CP Mt Druitt Pty Limited
CP O'Connor Pty Limited
CP Online Pty Limited
CP Osborne Park CL Pty Limited
CP Osborne Park Pty Limited
CP Richmond Pty Limited
CP Ringwood Pty Limited
CP Thomastown Pty Limited
CP Victoria Park Pty Limited
CP Welshpool DC Pty Limited
Cropp Pty Limited
D.M. Alexandria Franchisor Pty Limited[1]
D.M. Alexandria Leasing Pty Limited
D.M. Alexandria Licencing Pty Limited
D.M. Auburn Franchisor Pty Limited[1]
D.M. Auburn Leasing Pty Limited
D.M. Auburn Licencing Pty Limited
D.M. Belrose Franchisor Pty Limited
D.M. Belrose Leasing Pty Limited
D.M. Bundall Franchisor Pty Limited[1]
D.M. Bundall Leasing Pty Limited
D.M. Castle Hill Franchisor Pty Limited
D.M. Castle Hill Leasing Pty Limited
D.M. Fyshwick Franchisor Pty Limited[1]
D.M. Fyshwick Leasing Pty Limited
D.M. Kotara Franchisor Pty Limited[1]
D.M. Kotara Leasing Pty Limited
D.M. Leicht Franchisor Pty Limited
D.M. Liverpool Franchisor Pty Limited[1]
D.M. Liverpool Leasing Pty Limited
D.M. Maroochydore Franchisor Pty Limited[7]
D.M. Maroochydore Leasing Pty Limited[7]
D.M. North Ryde Franchisor Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

D.M. North Ryde Leasing Pty Limited
D.M. Penrith Franchisor Pty Limited[1]
D.M. Penrith Leasing Pty Limited
D.M. QVH Franchisor Pty Limited[1]
D.M. QVH Leasing Pty Limited
D.M. Springvale Franchisor Pty Limited[7]
D.M. Springvale Leasing Pty Limited[7]
D.M. Warrawong Franchisor Pty Limited[1]
D.M. Warrawong Leasing Pty Limited
D.M. West Gosford Franchisor Pty Ltd [1]
D.M. West Gosford Leasing Pty Ltd
Daldere Pty Limited[1]
Dandolena Pty Limited[1]
Derni Pty Limited[1,2]
Divonda Pty Limited[1]
DM Online Franchisor Pty Limited
DM Online Leasing Pty Limited
Domain Holdings Pty Limited
Domayne Furnishing Pty Limited
Domayne Holdings Limited[9, 10]
Domayne Online.com Pty Limited
Domayne P.E.M. Pty Limited[1]
Domayne Plant & Equipment Pty Limited[1]
Domayne Pty Limited
Dubbo JV Pty Limited
Durslee Pty Limited[1]
Edbrook Everton Park Pty Limited
Edbrook Pty Limited[1,6]
Farane Pty Limited[1]
Flormonda Pty Limited[1]
Forgetful Pty Limited
Ganoru Pty Limited[1]
Generic Publications Pty Limited
Geraldton WA Pty Limited
Gestco Greensborough Pty Limited[1]
Gestco Pty Limited[1]
Glo Light Pty Limited[22]
H.N. Adelaide CK Franchisor Pty Limited[1]
H.N. Adelaide CK Leasing Pty Limited
H.N. Albany Creek Franchisor Pty Limited[7]
H.N. Albany Creek Leasing Pty Limited[7]
H.N. Albany Franchisor Pty Limited[1]
H.N. Albany Leasing Pty Limited
H.N. Albury Franchisor Pty Limited[1]
H.N. Albury Leasing Pty Limited
H.N. Alexandria Franchisor Pty Limited
H.N. Alexandria Leasing Pty Limited
H.N. Alice Springs Franchisor Pty Limited
H.N. Alice Springs Leasing Pty Limited
H.N. Armadale WA Franchisor Pty Limited[1]
H.N. Armadale WA Leasing Pty Limited
H.N. Armidale Franchisor Pty Limited[1]
H.N. Armidale Leasing Pty Limited
H.N. Aspley Franchisor Pty Limited[1]
H.N. Aspley Leasing Pty Limited
H.N. Atherton Franchisor Pty Limited[7]
H.N. Atherton Leasing Pty Limited[7]
H.N. Auburn Franchisor Pty Limited[1]
H.N. Auburn Leasing Pty Limited
H.N. Ayr Franchisor Pty Limited[1]
H.N. Ayr Leasing Pty Limited
H.N. Bairnsdale Franchisor Pty Limited[1]
H.N. Bairnsdale Leasing Pty Limited
H.N. Balgowlah Franchisor Pty Limited[1]
H.N. Balgowlah Leasing Pty Limited
H.N. Ballarat Franchisor Pty Limited[1]
H.N. Ballarat Leasing Pty Limited
H.N. Ballina Franchisor Pty Limited
H.N. Ballina Leasing Pty Limited
H.N. Batemans Bay Franchisor Pty Limited
H.N. Batemans Bay Leasing Pty Limited
H.N. Bathurst Franchisor Pty Limited[1]
H.N. Bathurst Leasing Pty Limited
H.N. Belmont Franchisor Pty Limited[1]
H.N. Belmont Leasing Pty Limited
H.N. Belmont North Franchisor Pty Limited[7]
H.N. Belmont North Leasing Pty Limited[7]
H.N. Bendigo Franchisor Pty Limited[1]
H.N. Bendigo Leasing Pty Limited
H.N. Bernoth Franchisor Pty Limited[1]
H.N. Bernoth Leasing Pty Limited
H.N. Bernoth Plant & Equipment Pty Limited[1]
H.N. Blacktown Franchisor Pty Limited[1]
H.N. Blacktown Leasing Pty Limited
H.N. Bondi Junction Franchisor Pty Limited
H.N. Bondi Junction Leasing Pty Limited
H.N. Braybrook Franchisor Pty Limited[7]
H.N. Braybrook Leasing Pty Limited[7]
H.N. Broadmeadow (VIC) Franchisor Pty Limited
H.N. Broadmeadow (VIC) Leasing Pty Limited
H.N. Broadway (Sydney) Franchisor Pty Limited[1]
H.N. Broadway (Sydney) Leasing Pty Limited
H.N. Broadway on the Mall Franchisor Pty Limited[1]
H.N. Broadway on the Mall Leasing Pty Limited
H.N. Brooklyn Franchisor Pty Limited
H.N. Brooklyn Leasing Pty Limited
H.N. Browns Plains Franchisor Pty Limited[1]
H.N. Browns Plains Leasing Pty Limited
H.N. Bunbury Franchisor Pty Limited[1]
H.N. Bunbury Leasing Pty Limited
H.N. Bundaberg Franchisor Pty Limited[1]
H.N. Bundaberg Leasing Pty Limited
H.N. Bundall Franchisor Pty Limited[1]
H.N. Bundall Leasing Pty Limited
H.N. Burleigh Heads Franchisor Pty Limited[1]
H.N. Burleigh Heads Leasing Pty Limited
H.N. Burleigh Waters Franchisor Pty Limited[7]
H.N. Burleigh Waters Leasing Pty Limited[7]
H.N. Busselton Franchisor Pty Limited[1]
H.N. Busselton Leasing Pty Limited
H.N. Cairns Franchisor Pty Limited[1]
H.N. Cairns Leasing Pty Limited
H.N. Cambridge Park Franchisor Pty Limited
H.N. Cambridge Park Leasing Pty Limited
H.N. Campbelltown Franchisor Pty Limited[1]
H.N. Campbelltown Leasing Pty Limited
H.N. Cannington W.A. Franchisor Pty Limited[1]
H.N. Cannington W.A. Leasing Pty Limited
H.N. Canonvale Franchisor Pty Limited
H.N. Canonvale Leasing Pty Limited
H.N. Capalaba Franchisor Pty Limited
H.N. Capalaba Leasing Pty Limited
H.N. Cards Pty Limited
H.N. Carindale Franchisor Pty Limited[1]
H.N. Carindale Leasing Pty Limited
H.N. Caringbah Franchisor Pty Limited[1]
H.N. Caringbah Leasing Pty Limited
H.N. Castle Hill Franchisor Pty Limited
H.N. Castle Hill Leasing Pty Limited
H.N. Chadstone Franchisor Pty Limited
H.N. Chadstone Leasing Pty Limited
H.N. Chatswood Franchisor Pty Limited[1]
H.N. Chatswood Leasing Pty Limited
H.N. Chirnside Park Franchisor Pty Limited[1]
H.N. Chirnside Park Leasing Pty Limited
H.N. City Cross Franchisor Pty Limited
H.N. City Cross Leasing Pty Limited
H.N. City West Franchisor Pty Limited[1]
H.N. City West Leasing Pty Limited
H.N. Cleveland Franchisor Pty Limited
H.N. Cleveland Leasing Pty Limited
H.N. Cobar Franchisor Pty Limited
H.N. Cobar Leasing Pty Limited
H.N. Coburg Franchisor Pty Limited[7]
H.N. Coburg Leasing Pty Limited[7]
H.N. Coffs Harbour Franchisor Pty Limited[1]
H.N. Coffs Harbour Leasing Pty Limited
H.N. Coorparoo Franchisor Pty Limited
H.N. Coorparoo Leasing Pty Limited
H.N. Cranbourne Franchisor Pty Limited[1]
H.N. Cranbourne Leasing Pty Limited
H.N. Dalby Franchisor Pty Limited[1]
H.N. Dalby Leasing Pty Limited
H.N. Dandenong Franchisor Pty Limited[1]
H.N. Dandenong Leasing Pty Limited
H.N. Darwin Franchisor Pty Limited[1]
H.N. Darwin Leasing Pty Limited
H.N. Deniliquin Franchisor Pty Limited[1]
H.N. Deniliquin Leasing Pty Limited
H.N. Dubbo Franchisor Pty Limited[1]
H.N. Dubbo Leasing Pty Limited
H.N. Edgewater Franchisor Pty Limited[7]
H.N. Edgewater Leasing Pty Limited[7]
H.N. Enfield Franchisor Pty Limited[1]
H.N. Enfield Leasing Pty Limited
H.N. Everton Park Franchisor Pty Limited[1]
H.N. Everton Park Leasing Pty Limited
H.N. Fortitude Valley Franchisor Pty Limited[1]
H.N. Fortitude Valley Leasing Pty Limited
H.N. Frankston Franchisor Pty Limited
H.N. Frankston Leasing Pty Limited
H.N. Fremantle Franchisor Pty Limited[1]
H.N. Fremantle Leasing Pty Limited
H.N. Fyshwick Franchisor Pty Limited[1]
H.N. Fyshwick Leasing Pty Limited
H.N. Geelong Franchisor Pty Limited[1]
H.N. Geelong Leasing Pty Limited
H.N. Gepps Cross Franchisor Pty Limited
H.N. Gepps Cross Leasing Pty Limited
H.N. Geraldton Leasing Pty Limited
H.N. Geraldton WA Franchisor Pty Limited[1]
H.N. Gladstone Franchisor Pty Limited[1]
H.N. Gladstone Leasing Pty Limited
H.N. Gordon Franchisor Pty Limited[1]
H.N. Gordon Leasing Pty Limited
H.N. Gosford Leasing Pty Limited
H.N. Goulburn Franchisor Pty Limited
H.N. Goulburn Leasing Pty Limited
H.N. Grafton Franchisor Pty Limited[1]
H.N. Grafton Leasing Pty Limited
H.N. Great Eastern Highway Franchisor Pty Limited[7]
H.N. Great Eastern Highway Leasing Pty Limited[7]
H.N. Greensborough Franchisor Pty Limited[1]
H.N. Greensborough Leasing Pty Limited
H.N. Griffith Franchisor Pty Limited[1]
H.N. Griffith Leasing Pty Limited
H.N. Gunnedah Franchisor Pty Limited[7]
H.N. Gunnedah Leasing Pty Limited[7]
H.N. Guthrie Street Franchisor Pty Limited[7]
H.N. Guthrie Street Leasing Pty Limited[7]
H.N. Gympie Franchisor Pty Limited
H.N. Gympie Leasing Pty Limited
H.N. Hamilton Franchisor Pty Limited[1]
H.N. Hamilton Leasing Pty Limited
H.N. Hervey Bay Franchisor Pty Limited[1]
H.N. Hervey Bay Leasing Pty Limited
H.N. Hoppers Crossing Franchisor Pty Limited[1]
H.N. Hoppers Crossing Leasing Pty Limited
H.N. Horsham Franchisor Pty Limited[1]
H.N. Horsham Leasing Pty Limited
H.N. Hyperdome Franchisor Pty Limited[7]
H.N. Hyperdome Leasing Pty Limited[7]
H.N. Indooroopilly Franchisor Pty Limited[1]
H.N. Indooroopilly Leasing Pty Limited
H.N. Innisfail Franchisor Pty Limited[1]
H.N. Innisfail Leasing Pty Limited
H.N. Inverell Franchisor Pty Limited[1]
H.N. Inverell Leasing Pty Limited
H.N. Ipswich Franchisor Pty Limited
H.N. Ipswich Leasing Pty Limited
H.N. Joondalup Franchisor Pty Limited[1]
H.N. Joondalup Leasing Pty Limited
H.N. Kalgoorlie Franchisor Pty Limited[1]
H.N. Kalgoorlie Leasing Pty Limited
H.N. Karratha Franchisor Pty Limited[1]
H.N. Karratha Leasing Pty Limited
H.N. Kawana Waters Franchisor Pty Limited[1]
H.N. Kawana Waters Leasing Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

H.N. Kingaroy Franchisor Pty Limited
H.N. Kingaroy Leasing Pty Limited
H.N. Knox Towerpoint Franchisor Pty Limited[1]
H.N. Knox Towerpoint Leasing Pty Limited
H.N. Lake Haven Franchisor Pty Limited
H.N. Lake Haven Leasing Pty Limited
H.N. Leichhardt Franchisor Pty Limited[1]
H.N. Leichhardt Leasing Pty Limited
H.N. Lismore Franchisor Pty Limited[1]
H.N. Lismore Leasing Pty Limited
H.N. Lithgow Franchisor Pty Limited
H.N. Lithgow Leasing Pty Limited
H.N. Liverpool Franchisor Pty Limited[1]
H.N. Liverpool Leasing Pty Limited
H.N. Loganholme Franchisor Pty Limited[1]
H.N. Loganholme Leasing Pty Limited
H.N. Loughran Contracting Pty Limited
H.N. Macgregor Franchisor Pty Limited[7]
H.N. Macgregor Leasing Pty Limited[7]
H.N. Mackay Franchisor Pty Limited[1]
H.N. Mackay Leasing Pty Limited
H.N. Maddington Franchisor Pty Limited[1]
H.N. Maddington Leasing Pty Limited
H.N. Maitland Franchisor Pty Limited[1]
H.N. Maitland Leasing Pty Limited
H.N. Malaga Franchisor Pty Limited
H.N. Malaga Leasing Pty Limited
H.N. Mandurah Franchisor Pty Limited[1]
H.N. Mandurah Leasing Pty Limited
H.N. Maribyrnong Franchisor Pty Limited[1]
H.N. Maribyrnong Leasing Pty Limited
H.N. Marion Franchisor Pty Limited[1]
H.N. Marion Leasing Pty Limited
H.N. Maroochydore CP Franchisor Pty Limited[7]
H.N. Maroochydore CP Leasing Pty Limited[7]
H.N. Maroochydore Franchisor Pty Limited[1]
H.N. Maroochydore Leasing Pty Limited
H.N. Martin Place Sydney Franchisor Pty Limited[1]
H.N. Martin Place Sydney Leasing Pty Limited
H.N. Mentone Franchisor Pty Limited
H.N. Mentone Leasing Pty Limited
H.N. Midland Franchisor Pty Limited[1]
H.N. Midland Leasing Pty Limited
H.N. Mildura Franchisor Pty Limited[1]
H.N. Mildura Leasing Pty Limited
H.N. Moe Franchisor Pty Limited[1]
H.N. Moe Leasing Pty Limited
H.N. Moonah Franchisor Pty Limited
H.N. Moonah Leasing Pty Limited
H.N. Moorabbin Franchisor Pty Limited[1]
H.N. Moorabbin Leasing Pty Limited[1]
H.N. Moorabbin SC Franchisor Pty Limited[7]
H.N. Moorabbin SC Leasing Pty Limited[7]
H.N. Moore Park Franchisor Pty Limited[1]
H.N. Moore Park Leasing Pty Limited
H.N. Morayfield Franchisor Pty Limited[1]
H.N. Morayfield Leasing Pty Limited
H.N. Moree Franchisor Pty Limited
H.N. Moree Leasing Pty Limited
H.N. Morley Franchisor Pty Limited[1]
H.N. Morley Leasing Pty Limited
H.N. Mornington Franchisor Pty Limited[7]
H.N. Mornington Leasing Pty Limited[7]
H.N. Morwell Franchisor Pty Limited
H.N. Morwell Leasing Pty Limited
H.N. Moss Vale Franchisor Pty Limited[1]
H.N. Moss Vale Leasing Pty Limited
H.N. Mt Barker Franchisor Pty Limited
H.N. Mt Barker Leasing Pty Limited
H.N. Mt Gambier Franchisor Pty Limited[1]
H.N. Mt Gambier Leasing Pty Limited
H.N. Mt Gravatt Franchisor Pty Limited[1]
H.N. Mt Gravatt Leasing Pty Limited
H.N. Mt Isa Franchisor Pty Limited[1]
H.N. Mt Isa Leasing Pty Limited
H.N. Mudgee Franchisor Pty Limited
H.N. Mudgee Leasing Pty Limited
H.N. Munno Para Franchisor Pty Limited[1]
H.N. Munno Para Leasing Pty Limited
H.N. Muswellbrook Franchisor Pty Limited
H.N. Muswellbrook Leasing Pty Limited
H.N. Narre Warren Franchisor Pty Limited
H.N. Narre Warren Leasing Pty Limited
H.N. Newcastle Franchisor Pty Limited[1]
H.N. Newcastle Leasing Pty Limited
H.N. Newcastle West Franchisor Pty Limited
H.N. Newcastle West Leasing Pty Limited
H.N. Noarlunga Franchisor Pty Limited[1]
H.N. Noarlunga Leasing Pty Limited
H.N. Noosa Franchisor Pty Limited[1]
H.N. Noosa Leasing Pty Limited
H.N. Norwest Franchisor Pty Limited
H.N. Norwest Leasing Pty Limited
H.N. Nowra Franchisor Pty Limited[1]
H.N. Nowra Leasing Pty Limited
H.N. Nunawading Franchisor Pty Limited[1]
H.N. Nunawading Leasing Pty Limited
H.N. O'Connor Franchisor Pty Limited[1]
H.N. O'Connor Leasing Pty Limited
H.N. Oakleigh CK Franchisor Pty Limited[1]
H.N. Oakleigh CK Leasing Pty Limited
H.N. Orange Franchisor Pty Limited[1]
H.N. Orange Leasing Pty Limited
H.N. Osborne Park Franchisor Pty Limited[1]
H.N. Osborne Park Leasing Pty Limited
H.N. Oxley Franchisor Pty Limited[1]
H.N. Oxley Leasing Pty Limited
H.N. Pacific Fair Franchisor Pty Limited
H.N. Pacific Fair Leasing Pty Limited
H.N. Parkes Franchisor Pty Limited[1]
H.N. Parkes Leasing Pty Limited
H.N. Penrith Franchisor Pty Limited[1]
H.N. Penrith Leasing Pty Limited
H.N. Peppermint Grove Franchisor Pty Limited[1]
H.N. Peppermint Grove Leasing Pty Limited
H.N. Port Hedland Franchisor Pty Limited[1]
H.N. Port Hedland Leasing Pty Limited
H.N. Port Kennedy Franchisor Pty Limited[1]
H.N. Port Kennedy Leasing Pty Limited
H.N. Port Macquarie Franchisor Pty Limited[1]
H.N. Port Macquarie Leasing Pty Limited
H.N. Preston Franchisor Pty Limited[1]
H.N. Preston Leasing Pty Limited
H.N. Richmond Franchisor Pty Limited[7]
H.N. Richmond Leasing Pty Limited[7]
H.N. Ringwood Franchisor Pty Limited[7]
H.N. Ringwood Leasing Pty Limited[7]
H.N. Riverwood Franchisor Pty Limited
H.N. Riverwood Leasing Pty Limited
H.N. Rockhampton Franchisor Pty Limited[1]
H.N. Rockhampton Leasing Pty Limited
H.N. Rothwell Franchisor Pty Limited
H.N. Rothwell Leasing Pty Limited
H.N. Salamander Bay Franchisor Pty Limited
H.N. Salamander Bay Leasing Pty Limited
H.N. Sale Franchisor Pty Limited[1]
H.N. Sale Leasing Pty Limited
H.N. Shepparton Franchisor Pty Limited[1]
H.N. Shepparton Leasing Pty Limited
H.N. South Tweed Franchisor Pty Limited[1]
H.N. South Tweed Leasing Pty Limited
H.N. Southland Franchisor Pty Limited[1]
H.N. Southland Leasing Pty Limited
H.N. Springvale Franchisor Pty Limited[7]
H.N. Springvale Leasing Pty Limited[7]
H.N. Sunshine Franchisor Pty Limited
H.N. Sunshine Leasing Pty Limited
H.N. Swan Hill Franchisor Pty Limited[1]
H.N. Swan Hill Leasing Pty Limited
H.N. Tamworth Franchisor Pty Limited[1]
H.N. Tamworth Leasing Pty Limited
H.N. Taree Franchisor Pty Limited
H.N. Taree Leasing Pty Limited
H.N. Thomastown Franchisor Pty Limited
H.N. Thomastown Leasing Pty Limited
H.N. Toowoomba Franchisor Pty Limited[1]
H.N. Toowoomba Leasing Pty Limited
H.N. Townsville Franchisor Pty Limited[1]
H.N. Townsville Leasing Pty Limited
H.N. Traralgon Franchisor Pty Limited[1]
H.N. Traralgon Leasing Pty Limited
H.N. Vic/Tas Commercial Project Franchisor Pty Limited
H.N. Vic/Tas Commercial Project Leasing Pty Limited
H.N. Victoria Park Franchisor Pty Limited[7]
H.N. Victoria Park Leasing Pty Limited[7]
H.N. Wagga Franchisor Pty Limited[1]
H.N. Wagga Leasing Pty Limited
H.N. Wangaratta Franchisor Pty Limited[1]
H.N. Wangaratta Leasing Pty Limited
H.N. Warragul Franchisor Pty Limited[1]
H.N. Warragul Leasing Pty Limited
H.N. Warrawong Franchisor Pty Limited[1]
H.N. Warrawong Leasing Pty Limited
H.N. Warrnambool Franchisor Pty Limited[1]
H.N. Warrnambool Leasing Pty Limited
H.N. Warwick (WA) Franchisor Pty Limited[1]
H.N. Warwick (WA) Leasing Pty Limited
H.N. Warwick Franchisor Pty Limited[1]
H.N. Warwick Leasing Pty Limited
H.N. Watergardens Franchisor Pty Limited[1]
H.N. Watergardens Leasing Pty Limited
H.N. Waurn Ponds Franchisor Pty Limited[1]
H.N. Waurn Ponds Leasing Pty Limited
H.N. West Gosford Franchisor Pty Limited[1]
H.N. West Wyalong Franchisor Pty Limited
H.N. West Wyalong Leasing Pty Limited
H.N. Whyalla Franchisor Pty Limited[1]
H.N. Whyalla Leasing Pty Limited
H.N. Wiley Park Franchisor Pty Limited[1]
H.N. Wiley Park Leasing Pty Limited
H.N. Windsor Franchisor Pty Limited[1]
H.N. Windsor Leasing Pty Limited
H.N. Woden Franchisor Pty Limited[1]
H.N. Woden Leasing Pty Limited
H.N. Wonthaggi Franchisor Pty Limited[1]
H.N. Wonthaggi Leasing Pty Limited
H.N. Woodville Franchisor Pty Limited
H.N. Woodville Leasing Pty Limited
H.N. Young Franchisor Pty Limited[1]
H.N. Young Leasing Pty Limited
Hardly Normal Discounts Pty Limited[1]
Hardly Normal Limited[9,10]
Hardly Normal Pty Limited[1]
Harvey Cellars Pty Limited
Harvey Liquor Pty Limited
Harvey Norman (ACT) Pty Limited[1]
Harvey Norman (N.S.W.) Pty Limited
Harvey Norman (QLD) Pty Limited[1,6]
Harvey Norman 2007 Management Pty Limited
Harvey Norman Big Buys Pty Limited
Harvey Norman Burnie Franchisor Pty Limited[1]
Harvey Norman Burnie Leasing Pty Limited
Harvey Norman CEI d.o.o. [12]
Harvey Norman Commercial Your Solution Provider Pty Limited
Harvey Norman Computer Club Pty Limited
Harvey Norman Computer Training Pty Limited
Harvey Norman Contracting Pty Limited
Harvey Norman Corporate Air Pty Limited
Harvey Norman CP Pty Limited
Harvey Norman Devonport Franchisor Pty Limited[1]
Harvey Norman Devonport Leasing Pty Limited
Harvey Norman Education and Training Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Harvey Norman Energy Pty Limited[1]
Harvey Norman Europe d.o.o[12]
Harvey Norman Export Pty Limited[1]
Harvey Norman Fitouts Pty Limited
Harvey Norman Furnishing Pty Limited
Harvey Norman Gamezone Pty Limited
Harvey Norman Glenorchy Franchisor Pty Limited[1]
Harvey Norman Glenorchy Leasing Pty Limited
Harvey Norman Hobart Franchisor Pty Limited[1]
Harvey Norman Hobart Leasing Pty Limited
Harvey Norman Holdings (Ireland) Limited[19,27]
Harvey Norman Home Cellars Pty Limited
Harvey Norman Home Loans Pty Limited
Harvey Norman Home Starters Pty Limited
Harvey Norman Homemaker Centre Pty Limited
Harvey Norman Launceston Franchisor Pty Limited [1]
Harvey Norman Launceston Leasing Pty Limited
Harvey Norman Leasing (Blanchardstown) Limited [18]
Harvey Norman Leasing (Carrickmines) Limited [18,19]
Harvey Norman Leasing (Castlebar) Limited [18,19]
Harvey Norman Leasing (Cork) Limited[18,19]
Harvey Norman Leasing (Drogheda) Limited[18,19]
Harvey Norman Leasing (Dublin) Limited[18,19]
Harvey Norman Leasing (Dundalk) Limited[18,19]
Harvey Norman Leasing (Eastgate) Limited[18,19]
Harvey Norman Leasing (Limerick) Limited[18,19]
Harvey Norman Leasing (Mullingar) Limited[18,19]
Harvey Norman Leasing (N.Z.) Limited[9,10]
Harvey Norman Leasing (Naas) Limited[18,19]
Harvey Norman Leasing (NI) Limited[18,19]
Harvey Norman Leasing (Rathfarnham) Limited[18,19]
Harvey Norman Leasing (Tralee) Limited[18,19]
Harvey Norman Leasing (Waterford) Limited[18,19]
Harvey Norman Leasing Pty Limited
Harvey Norman Limited[10]
Harvey Norman Loughran Plant & Equipment Pty Limited
Harvey Norman Mortgage Service Pty Limited
Harvey Norman Music Pty Limited
Harvey Norman Net. Works Pty Limited[1]
Harvey Norman OFIS Pty Limited[1]
Harvey Norman Online.com Pty Limited
Harvey Norman Ossia (Asia) Pte Limited[11,16,17]
Harvey Norman P.E.M. Pty Limited
Harvey Norman Plant and Equipment Pty Limited
Harvey Norman Properties (N.Z.) Limited[9,10]
Harvey Norman Rental Pty Limited
Harvey Norman Retailing Pty Limited[1]
Harvey Norman Rosney Franchisor Pty Limited[1]
Harvey Norman Rosney Leasing Pty Limited
Harvey Norman Security Pty Limited
Harvey Norman Shopfitting Pty Limited[1]
Harvey Norman Singapore Pte Limited[11,15,16]
Harvey Norman Stores (N.Z.) Pty Limited[1]
Harvey Norman Stores (W.A.) Pty Limited
Harvey Norman Stores Pty Limited[1]
Harvey Norman Superlink Pty Limited
Harvey Norman Tasmania Pty Limited
Harvey Norman Technology Pty Limited[1]
Harvey Norman The Bedding Specialists Pty Limited
Harvey Norman The Computer Specialists Pty Limited
Harvey Norman The Electrical Specialists Pty Limited
Harvey Norman The Furniture Specialists Pty Limited
Harvey Norman Trading (Ireland) Limited[18,19]
Harvey Norman Trading d.o.o.[12]
Harvey Norman Ulverstone Franchisor Pty Limited[1]
Harvey Norman Ulverstone Leasing Pty Limited
Harvey Norman Victoria Pty Limited[1]
Harvey Norman Zagreb d.o.o.[14]
Havrex Pty Limited[1,6]
HN Blenheim Leasing Limited[7,9,10]
HN Byron No. 2 Pty Limited[27]
HN Byron No. 3 Pty Limited[27]
HN Online Franchisor Pty Limited
HN Online Leasing Pty Limited
HN Paraparaumu Leasing Limited[9,10]
HN QCV Benaraby No.1 Pty Limited[33]
HN QCV Benaraby Pty Limited[29]
HN QCV Fairview Pty Limited[7,30]
HN QCV Injune Pty Limited[7,31]
HN QCV Pty Limited
HN QCV Sarina Pty Limited[7,32]
HN Tory Street Leasing Limited[7,9,10]
HN Zagreb Investment Pty Limited
HNL Pty Limited
Hodberg Pty Limited[1,5]
Hodvale Pty Limited[1,5]
Home Mart Furniture Pty Limited
Home Mart Pty Limited
Hoxco Pty Limited[1,6]
J.M. Albury Franchisor Pty Limited
J.M. Albury Leasing Pty Limited
J.M. Alexandria Franchisor Pty Limited
J.M. Alexandria Leasing Pty Limited
J.M. Auburn Franchisor Pty Limited[1]
J.M. Ballina Franchisor Pty Limited
J.M. Ballina Leasing Pty Limited
J.M. Bennetts Green Franchisor Pty Limited
J.M. Bennetts Green Leasing Pty Limited
J.M. Campbelltown Franchisor Pty Limited[1]
J.M. Campbelltown Leasing Pty Limited
J.M. Caringbah Franchisor Pty Limited[1]
J.M. Caringbah Leasing Pty Limited
J.M. Chancellor Park Franchisor Pty Limited
J.M. Chancellor Park Leasing Pty Limited
J.M. Contracting Services Pty Limited[1]
J.M. Dubbo Franchisor Pty Limited
J.M. Dubbo Leasing Pty Limited
J.M. Leasing Pty Limited
J.M. Mackay Franchisor Pty Limited[7]
J.M. Mackay Leasing Pty Limited[7]
J.M. Maitland Franchisor Pty Limited
J.M. Maitland Leasing Pty Limited
J.M. Maroochydoore Franchisor Pty Limited
J.M. Maroochydoore Leasing Pty Limited
J.M. Marrickville Franchisor Pty Limited[1]
J.M. Marrickville Leasing Pty Limited
J.M. McGraths Hill Franchisor Pty Limited
J.M. McGraths Hill Leasing Pty Limited
J.M. Morayfield Franchisor Pty Limited[7]
J.M. Morayfield Leasing Pty Limited[7]
J.M. Mudgee Franchisor Pty Limited
J.M. Mudgee Leasing Pty Limited
J.M. Muswellbrook Franchisor Pty Limited
J.M. Muswellbrook Leasing Pty Limited
J.M. Newcastle Franchisor Pty Limited[1]
J.M. Nowra Franchisor Pty Limited
J.M. Nowra Leasing Pty Limited
J.M. Plant & Equipment Hire Pty Limited
J.M. Rockhampton Franchisor Pty Limited
J.M. Rockhampton Leasing Pty Limited
J.M. Share Investment Pty Limited
J.M. Toukley Franchisor Pty Limited
J.M. Toukley Leasing Pty Limited
J.M. Townsville Franchisor Pty Limited
J.M. Townsville Leasing Pty Limited
J.M. Wagga Wagga Franchisor Pty Limited
J.M. Wagga Wagga Leasing Pty Limited
J.M. Wallsend Franchisor Pty Limited
J.M. Wallsend Leasing Pty Limited
J.M. Warners Bay Franchisor Pty Limited
J.M. Warners Bay Leasing Pty Limited
J.M. Warrawong Franchisor Pty Limited
J.M. Warrawong Leasing Pty Limited
J.M. West Gosford Franchisor Pty Limited
J.M. West Gosford Leasing Pty Limited
J.M. Young Franchisor Pty Limited
J.M. Young Leasing Pty Limited
Jartoso Pty Limited[1]
JM Online Franchisor Pty Limited
JM Online Leasing Pty Limited
Jondarlo Pty Limited[1]
Joyce Mayne Furnishing Pty Limited
Joyce Mayne Home Cellars Pty Limited
Joyce Mayne Kotara Leasing Pty Limited
Joyce Mayne Liverpool Leasing Pty Limited
Joyce Mayne Penrith Pty Limited
Joyce Mayne Shopping Complex Pty Limited
Kalinya Development Pty Limited
Kambaldu Pty Limited[1]
Kita Pty Limited[1]
Kitchen Point Pty Limited
Koodero Pty Limited[1]
Korinti Pty Limited[1]
Lamino Pty Limited[1]
Lesandu Adelaide City Pty Limited
Lesandu Adelaide CK Pty Limited
Lesandu Albany Pty Limited
Lesandu Albury Pty Limited
Lesandu Alexandria (JM) Pty Limited
Lesandu Alexandria DM Pty Limited
Lesandu Alexandria Pty Limited
Lesandu Alice Springs Pty Limited
Lesandu Aspley Pty Limited[7]
Lesandu Atherton Pty Limited[7]
Lesandu Auburn Stone Pty Limited
Lesandu Ayr Pty Limited
Lesandu Bairnsdale Pty Limited
Lesandu Balgowlah Pty Limited
Lesandu Ballina JM Pty Limited
Lesandu Batemans Bay Pty Limited
Lesandu Bathurst Pty Limited
Lesandu Bella Vista Pty Limited
Lesandu Belmont Pty Limited
Lesandu Belrose DM Pty Limited
Lesandu Benalla Pty Limited
Lesandu Bennetts Green JM Pty Limited
Lesandu Bentleigh Pty Limited
Lesandu Blacktown Pty Limited
Lesandu Bondi Junction Pty Limited
Lesandu Brisbane City Pty Limited
Lesandu Broadbeach Pty Limited
Lesandu Broadway Pty Limited
Lesandu Brooklyn Pty Limited
Lesandu Browns Plains No. 1 Pty Limited
Lesandu Browns Plains Pty Limited
Lesandu Burleigh Heads Flooring Pty Limited
Lesandu Busselton Pty Limited
Lesandu Cambridge Pty Limited
Lesandu Cannington Pty Limited
Lesandu Cannonvale Pty Limited
Lesandu Capalaba Pty Limited
Lesandu Carindale Pty Limited
Lesandu Castle Hill DM Pty Limited
Lesandu Castle Hill Pty Limited
Lesandu Cessnock (JM) Pty Limited
Lesandu Chadstone Pty Limited
Lesandu Charmhaven Pty Limited
Lesandu Chatswood Express Pty Limited
Lesandu Chatswood Pty Limited
Lesandu Cheltenham Pty Limited
Lesandu Chirnside Park Pty Limited
Lesandu Cleveland Pty Limited
Lesandu Cobar Pty Limited
Lesandu Coffs Harbour Pty Limited
Lesandu Coorparoo Pty Limited
Lesandu CP Aspley Pty Limited
Lesandu CP Bayswater Pty Limited
Lesandu CP Belmont Pty Limited
Lesandu CP Bendigo Pty Limited
Lesandu CP Braybrook Pty Limited
Lesandu CP Bundaberg Pty Limited
Lesandu CP Bundaberg WH 2 Pty Limited
Lesandu CP Bundaberg WH Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Lesandu CP Burleigh Waters Pty Limited
Lesandu CP Coburg Pty Limited
Lesandu CP Dandenong Pty Limited
Lesandu CP Joondalup Pty Limited
Lesandu CP Loganholme Pty Limited
Lesandu CP Macgregor Pty Limited
Lesandu CP Macgregor WH Pty Limited
Lesandu CP Mackay Pty Limited
Lesandu CP Malvern Pty Limited
Lesandu CP Malvern WH Pty Limited
Lesandu CP Mandurah Pty Limited
Lesandu CP Maroochydoore Pty Limited
Lesandu CP Maroochydoore WH Pty Limited
Lesandu CP Maryborough Pty Limited
Lesandu CP Midland Pty Limited
Lesandu CP Moonah Pty Limited
Lesandu CP Moorabbin Pty Limited
Lesandu CP Morayfield Pty Limited
Lesandu CP Mornington Pty Limited
Lesandu CP Mt Druitt Pty Limited
Lesandu CP O'Connor Pty Limited
Lesandu CP Osborne Park CL Pty Limited
Lesandu CP Osborne Park Pty Limited
Lesandu CP Osborne Park WH Pty Limited
Lesandu CP Richmond CL Pty Limited
Lesandu CP Richmond Pty Limited
Lesandu CP Richmond WH Pty Limited
Lesandu CP Ringwood CL Pty Limited[7]
Lesandu CP Ringwood Home Pty Limited
Lesandu CP Ringwood Pty Limited
Lesandu CP Ringwood WH Pty Limited
Lesandu CP Thomastown Pty Limited
Lesandu CP Victoria Park Pty Limited
Lesandu CP Welshpool WH Pty Limited[7]
Lesandu Cranbourne Pty Limited
Lesandu Dalby Pty Limited
Lesandu Dandenong Pty Limited
Lesandu Deniliquin Pty Limited
Lesandu Dubbo JM Pty Limited
Lesandu Dubbo Pty Limited
Lesandu Engadine Pty Limited
Lesandu Erina Flooring Pty Limited
Lesandu Forster Pty Limited
Lesandu Fremantle No 2 Pty Limited
Lesandu Fremantle Pty Limited
Lesandu Fyshwick Pty Limited
Lesandu Gaven Pty Limited
Lesandu Gepps Cross Pty Limited
Lesandu Gladstone Pty Limited
Lesandu Gordon Pty Limited
Lesandu Goulburn Pty Limited
Lesandu Grafton Pty Limited
Lesandu Greensborough Pty Limited
Lesandu Griffith Pty Limited
Lesandu Hamilton (VIC) Pty Limited
Lesandu Hamilton Pty Limited
Lesandu Hervey Bay Pty Limited
Lesandu HN Pty Limited
Lesandu Horsham Pty Limited
Lesandu Indooroopilly Pty Limited[1]
Lesandu Innisfail Pty Limited
Lesandu Inverell Pty Limited
Lesandu Ipswich Pty Limited
Lesandu Jandakot Pty Limited
Lesandu Joondalup Pty Limited
Lesandu Kalgoorlie Pty Limited
Lesandu Karratha Pty Limited
Lesandu Knox Towerpoint Pty Limited
Lesandu Kotara DM Pty Limited
Lesandu Launceston Pty Limited
Lesandu Leichhardt M Pty Limited
Lesandu Light Street DM Pty Limited
Lesandu Lismore Pty Limited
Lesandu Lithgow Pty Limited

Lesandu Loganholme Pty Limited
Lesandu Mackay Pty Limited
Lesandu Maddington Pty Limited
Lesandu Maitland JM Pty Limited
Lesandu Maitland Pty Limited
Lesandu Malaga Pty Limited
Lesandu Mandurah Pty Limited
Lesandu Marion Pty Limited
Lesandu Maroochydoore JM Pty Limited
Lesandu Maroochydore Flooring Pty Limited
Lesandu McGraths Hill (JM) Pty Limited
Lesandu Melbourne City DM Pty Limited
Lesandu Mentone Pty Limited
Lesandu Midland Pty Limited
Lesandu Mile End Pty Limited
Lesandu Mitchell Pty Limited
Lesandu Moe Pty Limited
Lesandu Moorabbin Pty Limited
Lesandu Moore Park Pty Limited
Lesandu Moree Pty Limited
Lesandu Morley Pty Limited
Lesandu Mornington Pty Limited
Lesandu Morwell WH Pty Limited
Lesandu Moss Vale Pty Limited
Lesandu Mt Barker Pty Limited
Lesandu Mt Gravatt Pty Limited
Lesandu Mt Isa Pty Limited
Lesandu Munno Para Pty Limited
Lesandu Murray Bridge Pty Limited[7]
Lesandu Muswellbrook JM Pty Limited
Lesandu Muswellbrook Pty Limited
Lesandu Narrabri Pty Limited
Lesandu Narre Warren Pty Limited
Lesandu Newcastle West Pty Limited
Lesandu Noarlunga Pty Limited
Lesandu Noosa Pty Limited
Lesandu North Ryde DM Pty Limited
Lesandu Notting Hill Pty Limited
Lesandu Nowra Pty Limited
Lesandu Oakleigh CK Pty Limited
Lesandu O'Connor Pty Limited
Lesandu Orange Pty Limited
Lesandu Osborne Park Pty Limited
Lesandu Oxley Pty Limited
Lesandu Penrith DM Pty Limited
Lesandu Penrith Pty Limited
Lesandu Peppermint Grove Pty Limited
Lesandu Perth City West Pty Limited
Lesandu Port Macquarie Pty Limited
Lesandu Pty Limited[1]
Lesandu Raymond Terrace Pty Limited
Lesandu Richlands Pty Limited
Lesandu Richmond (VIC) Pty Limited
Lesandu Riverwood Pty Limited
Lesandu Rockhampton Pty Limited
Lesandu Rothwell Pty Limited
Lesandu S.A. Pty Limited
Lesandu Salamander Bay Pty Limited
Lesandu Sale Pty Limited
Lesandu Silverwater Pty Limited
Lesandu Sippy Downs JM Pty Limited
Lesandu Southport Pty Limited
Lesandu Stanmore Pty Limited
Lesandu Sunshine Pty Limited
Lesandu Swan Hill Pty Limited
Lesandu Sydenham Pty Limited
Lesandu Sydney City SS Pty Limited
Lesandu Tamworth Pty Limited
Lesandu Taree Home Mart Pty Limited
Lesandu Taree Pty Limited
Lesandu Taren Point Pty Limited
Lesandu Tasmania Pty Limited
Lesandu Temora Pty Limited
Lesandu Thomastown Pty Limited
Lesandu Toukley Pty Limited

Lesandu Townsville Pty Limited
Lesandu Tweed Heads Flooring Pty Limited
Lesandu Tweed Heads Pty Limited[1]
Lesandu Underwood Pty Limited
Lesandu WA Furniture Pty Limited
Lesandu WA Pty Limited[1]
Lesandu Wagga Wagga JM Pty Limited
Lesandu Wagga Wagga Pty Limited
Lesandu Wallsend JM Pty Limited
Lesandu Wangaratta Pty Limited
Lesandu Warana JM Pty Limited
Lesandu Warana Pty Limited
Lesandu Warners Bay JM Pty Limited
Lesandu Warragul Pty Limited
Lesandu Warrawong Pty Limited
Lesandu Warwick (WA) Pty Limited
Lesandu Warwick Pty Limited
Lesandu Waurn Ponds Pty Limited
Lesandu West Gosford DM Pty Limited
Lesandu West Gosford JM Pty Limited
Lesandu West Wyalong Pty Limited
Lesandu Wiley Park Pty Limited
Lesandu Windsor Pty Limited
Lesandu Wonthaggi Pty Limited
Lesandu Woodville Pty Limited
Lesandu Young JM Pty Limited
Lexeri Pty Limited[1]
Lightcorp Pty Limited
Lighting Venture Pty Limited[1]
Lodare Pty Limited[1]
Loreste Pty Limited[1]
Malvis Pty Limited[1]
Manutu Pty Limited[1]
Maradoni Pty Limited[1]
Marinski Pty Limited[1]
Mega Flooring Depot Pty Limited
Misstar Pty Limited
Murry Street Development Pty Limited
Mymasterpiece Pty Limited [5]
Nedcroft Pty Limited[1]
Network Consumer Finance (Ireland) Limited[18,19]
Network Consumer Finance (N.Z.) Limited[9,10]
Network Consumer Finance Pty Limited[1]
Nomadale Pty Limited[1,6]
Norman Ross Limited [9,10]
Norman Ross Pty Limited[1]
Oldmist Pty Limited[1]
Oslek Developments Pty Limited
Osraidi Pty Limited[1]
P & E Crows Nest Pty Limited
P & E Homewest Pty Limited
P & E Leichhardt Pty Limited
P & E Maddington Pty Limited
P & E Shopfitters Pty Limited
Packcom Pty Limited
PEM Corporate Pty Limited
Pertama Holdings Limited[11,16,17]
Plezero Pty Limited[1]
Poliform Pty Limited[26]
QCV Benaraby Pty Limited [29]
QCV Fairview Pty Limited [30]
QCV Injune Pty Limited [31]
QCV Pty Limited [28]
QCV Sarina Pty Limited [32]
R.Reynolds Nominees Pty Limited
Recline A Way Franchisor Pty Limited
RH Online Pty Limited
Rosieway Pty Limited[1]
Sarsha Pty Limited[1]
Setto Pty Limited[1]
Shakespir Pty Limited
Signature Computers Pty Limited
Solaro Pty Limited[1]
Space Furniture Pte Limited[11,16]
Space Furniture Pty Limited[3]

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Spacepol Pty Limited
Stonetess Pty Limited[1]
Stores (NZ) Limited [9,10]
Stores Securitisation (NZ) Limited[10]
Stores Securitisation Pty Limited
Strathloro Pty Limited[1]
Stupendous Pty Limited[1,20]
Superguard Pty Limited
Swaneto Pty Limited[1]
Swanpark Pty Limited[1,6]
Tatroko Pty Limited1
Tessera Stones & Tiles Australia Pty Limited
Tessera Stones & Tiles Pty Limited[1,13]
The Byron At Byron Pty Limited1
Tisira Pty Limited[1]
Ventama Pty Limited[1,4]
Wadins Pty Limited[1]
Waggafurn Pty Limited
Wanalti Pty Limited[1]
Warungi Pty Limited[1]
Waytango Pty Limited[1]
Webzone Pty Limited
Wytharra Pty Limited[1]
Yoogalu Pty Limited[1,2]
Zabella Pty Limited[1]
Zavarte Pty Limited[1]
Zirdano Pty Limited[1]
Zirdanu Pty Limited[1]

Notes

Shareholdings in companies listed in Note 38 are consistent with prior year unless otherwise stated below.

1 Company is a member of the "Closed Group".
2 Company is relieved under the Class Order described in Note 39.
3 Derni Pty Ltd owns 100% of the shares in Space Furniture Pty Limited.
4 Shares held by Sarsha Pty Limited.
5 Shares held by Harvey Norman Retailing Pty Limited.
6 Shares held by Harvey Norman Stores Pty Limited.
7 Company acquired during the year.
8 Company disposed of during the year.
9 Shares held by Harvey Norman Limited.
10 Company incorporated in New Zealand.
11 Company incorporated in Singapore.
12 Company incorporated in Slovenia.
13 Shares held by Stonetess Pty Limited.
14 Company incorporated in Croatia.
15 Shares held by Setto Pty Limited.
16 Harvey Norman Singapore Pte Limited owns 100% of the shares in Bencoolen Properties Pte Limited, 60% of the shares in Harvey Norman Ossia (Asia) Pte Limited, 100% of the shares in Space Furniture Pte Limited, and 33.80% (2011:28.60%) of the shares in Pertama Holdings Limited.
17 Harvey Norman Ossia (Asia) Pte Limited holds 49.38% of the shares in Pertama Holdings Limited.
18 Shares held by Harvey Norman Holdings (Ireland) Limited.
19 Company incorporated in Ireland.
20 Shares held by Calardu Pty Limited.
21 Shares held by Calardu Armidale Pty Limited.
22 Lighting Venture Pty Limited owns 75% (2011: 50.1%) of shares in Glolight Pty Limited.
23 Yoogalu Pty Ltd holds 50.5% of the shares in Australian Business Skills Centre Pty Limited.
24 HN Byron No 3 Pty Limited holds 50% of the shares in Byron Bay Facilities Pty Limited.
25 Yoogalu Pty Ltd holds 50% of the shares in Byron Bay Management Pty Limited.
26 Derni Pty Ltd owns 100% of the shares in Poliform Pty Ltd.
27 Yoogalu Pty Limited holds 63.5% of the shares in ABSC Online Pty Limited
28 HN QCV Pty Limited holds 50% of the shares in QCV Pty Limited
29 HN QCV Benaraby Pty Limited holds 50% of the shares in QCV Benaraby Pty Limited
30 HN QCV Fairview Pty Limited holds 50% of the shares in QCV Fairview Pty Limited
31 HN QCV Injune Pty Limited holds 50% of the shares in QCV Injune Pty Limited
32 HN QCV Sarina Pty Limited holds 50% of the shares in QCV Sarina Pty Limited
33 HN QCV Benaraby No 1 Pty Limited holds 50% of the shares in QCV Benaraby No 1 Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

A.C.N. 098 004 570 No. 2 Trust
A.C.N. 100 478 402 No. 2 Trust
ABSC Online Trust ***
Alanlect No. 2 Trust
Albanall No. 2 Trust
Albany Stores No. 2 Trust
Albany Superstore No. 2 Trust
Albavit No 2 Trust**
Alburcom No. 2 Trust
Alburel No. 2 Trust
Albwick No. 2 Trust
Alexall No 2 Trust
Alexandria Superstore No. 2 Trust
Alistore No. 2 Trust
Andersfurn No 2 Trust**
Angefurn No. 2 Trust
Angestore No 2 Trust**
Anwarah No. 2 Trust
Appcann No. 2 Trust
Ardera No. 2 Trust
Armabert No. 2 Trust
Armadale Furniture No 2 Trust
Armadale Superstore No 2 Trust**
Armastore No. 2 Trust
Armavit No 2 Trust**
Armlect No. 2 Trust
Arulect No. 2 Trust
Arwon Computers No. 2 Trust
Arwon Electrics No. 2 Trust
Aspfloor No 2 Trust**
Aspley Flooring No 2 Trust**
Asptec No. 2 Trust
Aubapp No. 2 Trust
Aubdirect No. 2 Trust
Aublect No. 2 Trust
Aubtrade No. 2 Trust
Australian Business Skills Centre Trust***
Avitmont No 2 Trust**
Ayravit No 2 Trust**
Ayrtec No. 2 Trust
Bakfurn No. 2 Trust
Ballinall No 2 Trust**
Bamsett No. 2 Trust
Barlect No. 2 Trust
Becto Trust
Bedba No 2 Trust**
Bedholme No. 2 Trust
Bedton No. 2 Trust
Bedwick No. 2 Trust
Belavit No. 2 Trust
Bellbed No. 2 Trust
Bena No. 2 Trust
Bendcomp No. 2 Trust
Bendlect No. 2 Trust
Benstore No. 2 Trust
Berelect No. 2 Trust
Bervit No. 2 Trust
Big Apple Trust
BM Superstore No. 2 Trust
Bojarda No. 2 Trust
Bondcom No. 2 Trust
Bondlect No. 2 Trust
BP Flooring No 2 Trust
Bradiz No. 2 Trust
Broadel No. 2 Trust
Broadway Superstore No 2 Trust**
Brockland No. 2 Trust
Brocomp No. 2 Trust
Brofloor No. 2 Trust
Bronlect No.2 Trust
Brookstore No. 2 Trust
Brownavit No 2 Trust**
Browns Plains Bedding No 2 Trust
Browns Plains Superstore No. 2 Trust
Brownslect No. 2 Trust
Buddlect No. 2 Trust
Bunbury Superstore No 2 Trust**
Bunburyfurn No. 2 Trust
Buncomp No. 2 Trust
Bundaberg Superstore No 2 Trust**
Bundalect No. 2 Trust
Bundall Superstore No. 2 Trust
Bundatec No. 2 Trust
Bundhill No. 2 Trust
Bundware No. 2 Trust
Bunstore No 2 Trust**
Burnie Computers (TAS) No. 2 Trust
Burnie Electrics No. 2 Trust
Bussall No. 2 Trust
Busselcom No. 2 Trust
Busseltec No. 2 Trust
Busselton Superstore No 2 Trust**
Bussfurn No 2 Trust**
Busstor No. 2 Trust
Buycom No. 2 Trust
Byrncom No. 2 Trust
Cairnlect No. 2 Trust
Cajanoe No. 2 Trust
Calardu A.C.T. No. 2 Trust
Calardu ACT Trust
Calardu Adderley Street Trust
Calardu Albany Trust
Calardu Albury Trust
Calardu Alexandria DM Trust
Calardu Alexandria WH Trust
Calardu Alice Springs Trust
Calardu Armadale WA Trust
Calardu Armidale Trust
Calardu Aspley Trust
Calardu Auburn No. 1 Trust
Calardu Auburn No. 2 Trust
Calardu Auburn No. 3 Trust
Calardu Auburn No. 4 Trust
Calardu Auburn No. 5 Trust
Calardu Auburn No. 6 Trust
Calardu Auburn No. 7 Trust
Calardu Auburn No. 8 Trust
Calardu Auburn No. 9 Trust
Calardu Ballarat Trust
Calardu Ballina No. 1 Trust
Calardu Ballina Trust
Calardu Bathurst Trust
Calardu Beaufort Street Trust
Calardu Bellevue Hill Trust
Calardu Belrose DM 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 No. 1 Trust
Calardu Browns Plains Trust
Calardu Bunbury Trust
Calardu Bundaberg No. 1 Trust
Calardu Bundaberg Trust
Calardu Bundaberg WH Trust
Calardu Bundall Trust
Calardu Burnie Trust
Calardu Cambridge Trust
Calardu Campbelltown Trust
Calardu Cannington Trust
Calardu Caringbah (Taren Point) Trust
Calardu Caringbah Trust
Calardu Crows Nest Trust
Calardu Cubitt Trust
Calardu Darwin Trust
Calardu Devonport Trust
Calardu Dubbo Trust
Calardu Emerald Trust
Calardu Frankston Trust
Calardu Frankston WH Trust
Calardu Fyshwick DM Trust
Calardu Gepps Cross No 2 Trust
Calardu Gepps Cross Trust
Calardu Gladstone Trust
Calardu Gordon Trust
Calardu Guildford Trust
Calardu Gympie Trust
Calardu Hervey Bay Trust
Calardu Hobart Trust
Calardu Hoppers Crossing Trust
Calardu Horsham Trust
Calardu Innisfail Trust
Calardu Jandakot No 1 Trust
Calardu Jandakot Trust
Calardu Joondalup Trust
Calardu Kalgoorlie Oswald St Trust
Calardu Kalgoorlie Trust
Calardu Karana Downs Trust
Calardu Karratha Trust
Calardu Kawana Waters Trust
Calardu Kemblawarra Trust
Calardu Kingaroy Trust
Calardu Kotara Trust
Calardu Launceston Trust
Calardu Lismore Trust
Calardu Loganholme Trust
Calardu Mackay No 1 Trust
Calardu Mackay No 2 Trust
Calardu Maitland Trust
Calardu Malaga Trust
Calardu Mandurah Trust
Calardu Maribyrnong 1995 Trust
Calardu Maribyrnong Trust
Calardu Marion No. 1 Trust
Calardu Marion Trust
Calardu Maroochydore Trust
Calardu Maroochydore Warehouse Trust
Calardu Maryborough Trust
Calardu Melville Trust
Calardu Mentone Trust
Calardu Midland Trust
Calardu Milton Trust
Calardu Morayfield Trust
Calardu Morwell Trust
Calardu Moss Vale Trust
Calardu Mt Isa Trust
Calardu Mt. Gambier Trust
Calardu Mudgee Trust
Calardu Munno Para Trust
Calardu No. 1 Trust
Calardu No. 2 Trust
Calardu No. 3 Trust
Calardu Noarlunga Trust
Calardu Noble Park WH Trust
Calardu Noosa Trust
Calardu North Ryde No 2 Trust
Calardu North Ryde No. 1 Trust**
Calardu North Ryde Trust
Calardu Northbridge Trust
Calardu Nowra Trust
Calardu Oxley Trust
Calardu Penrith No. 1 Trust
Calardu Penrith Trust
Calardu Perth City West Trust
Calardu Port Macquarie Trust
Calardu Preston Trust
Calardu Raine Square Trust
Calardu Richmond Trust
Calardu Rockhampton No 2 Trust
Calardu Rockhampton Trust

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

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

Calardu Rockingham Trust
Calardu Rosebery Trust
Calardu Roselands Trust
Calardu Rothwell Trust
Calardu Rutherford Trust
Calardu Rutherford Warehouse Trust
Calardu Sale Trust
Calardu Silverwater Trust
Calardu Springvale Trust
Calardu Swan Hill Trust
Calardu Sylvania Trust
Calardu Taree Trust
Calardu Taren Point Trust
Calardu Thebarton Trust
Calardu Thomastown Trust
Calardu Toorak Trust
Calardu Toowoomba No 1 Trust
Calardu Toowoomba Trust
Calardu Toowoomba WH Trust
Calardu Townsville Trust
Calardu Tweed Heads Traders Way Trust
Calardu Tweed Heads Trust
Calardu Vicfurn Trust
Calardu Warrawong (Homestarters) No 1 Trust
Calardu Warrawong (Homestarters) Trust
Calardu Warrawong No. 1 Trust
Calardu Warrawong No. 2 Trust
Calardu Warrawong Trust
Calardu Warrnambool Trust
Calardu Warwick Trust
Calardu West Gosford Trust
Calardu Whyalla Trust
Calardu Wivenhoe Trust
Calel No. 2 Trust
Cambridge Computers No. 2 Trust
Cambridge Park Electrics No 2 Trust**
Canecom No. 2 Trust
Canelect No. 2 Trust
Canner No. 2 Trust
Cannington Superstore No.2 Trust
Cannonel No. 2 Trust
Cannontec No. 2 Trust
Cannstore No. 2 Trust
Cannters No. 2 Trust
Capalaba Bedding No. 2 Trust
Capalaba Computers No. 2 Trust
Capalaba Flooring No. 2 trust
Capalaba Furniture No 2 Trust**
Caplect No. 2 Trust
Carcom No. 2 Trust
Cardlect No. 2 Trust
Carebed No. 2 Trust
Carinlect No. 2 Trust
Carintec No. 2 Trust
Carolander No. 2 Trust
Castleware No 2 Trust**
Castore No. 2 Trust
CBG Trust
Cellorcom No. 2 Trust
Chadcom No. 2 Trust
Chadfloor No. 2 Trust
Chanavit No 2 Trust**
Chancelect No. 2 Trust
Charmela No. 2 Trust
Chatcom No. 2 Trust
Chatex No. 2 Trust
Chatlect No. 2 Trust
Chirncom No. 2 Trust
Chirnel No. 2 Trust
Citistore No 2 Trust**
City Superstore No. 2 Trust
City West Superstore No. 2 Trust
Clevcom No. 2 Trust
Cleveland Superstore No 2 Trust**
Clevelcom No. 2 Trust
Clevelect No. 2 Trust
Comalb No. 2 Trust
Comaub No. 2 Trust
Combal No. 2 Trust
Combalg No. 2 Trust
Comben Nominees No. 2 Trust
Combier No. 2 Trust
Combron No. 2 Trust
Combury No. 2 Trust
Comcam No. 2 Trust
Comdaw No. 2 Trust
Comdore No. 2 Trust
Comgos No.2 Trust
Comgreen No. 2 Trust
Comhill No. 2 Trust
Comkaw No 2 Trust
Commil No. 2 Trust
Compalaba No. 2 Trust
Comparoo No. 2 Trust
Compgrav No. 2 Trust
Compuville No. 2 Trust
Comroc No. 2 Trust
Comtam No. 2 Trust
Comtoon No. 2 Trust
Comvey No. 2 Trust
Comwick No 2 Trust**
Coorparoo Electrics No. 2 Trust
Coorparoo Furniture No. 2 Trust
Coravit No. 2 Trust
Cosgrove Shopfitting Services No. 2 Trust
Cosher No. 2 Trust
Craigstore No. 2 Trust
Craigtec No. 2 Trust
Cranbell No. 2 Trust
Crancom No. 2 Trust
Croscom No. 2 Trust
Crossel No. 2 Trust
Crosslect No. 2 Trust
Crosstore No. 2 Trust
CW Superstore No 2 Trust**
Dalefurn No. 2 Trust
Dalelect No. 2 Trust
Dalfurn No. 2 Trust
Dallbed No 2 Trust**
Dallcom No. 2 Trust
Dalstore No. 2 Trust
Daltel No. 2 Trust
Daltonel No. 2 Trust
Dancomp No. 2 Trust
Danstore No. 2 Trust
Darolect No. 2 Trust
Daystore No. 2 Trust
Delthamo No. 2 Trust
Denili No 2 Trust**
Derindale No. 2 Trust
Devonport Computers No. 2 Trust
Devonport Electrics No. 2 Trust
Disinter No. 2 Trust
Dovefurn No. 2 Trust
Dubbocom No. 2 Trust
Durahlect No. 2 Trust
E P Bedding No. 2 Trust
Elebat No. 2 Trust
Electgos No. 2 Trust
Electham No. 2 Trust
Electley No. 2 Trust
Electmil No. 2 Trust
Electvale No. 2 Trust
Electwind No. 2 Trust
Elekot No. 2 Trust
Elepilly No. 2 Trust
Eleroo No. 2 Trust
Elholme No. 2 Trust
Ellicom No. 2 Trust
Elmoray No. 2 Trust
Eltcom No. 2 Trust
Enfield Bedding No 2 Trust**
Enstore No. 2 Trust
Everton Bedding No. 2 Trust
Everton Park Computers No. 2 Trust
Evtonel No. 2 Trust
Favstore No 2 Trust
Filfurn No. 2 Trust
Floholme No. 2 Trust
Flooraba No. 2 Trust
Floorcom No. 2 Trust
Floordore No 2 Trust**
Floorwell No. 2 Trust
Fortavit No 2 Trust**
Fortitude Furniture No. 2 Trust
Fortley No. 2 Trust
Frankcom No. 2 Trust
Frankstonel No. 2 Trust
Fraserfurn No. 2 Trust
Freeson Superstore No. 2 Trust
Fremstore No. 2 Trust
Fremtel No. 2 Trust
Furnbayel No. 2 Trust
Furncam No. 2 Trust
Furndall No 2 Trust**
Furneld No. 2 Trust
Furnholme No. 2 Trust
Furnkay No. 2 Trust
Furnking No 2 Trust**
Furnmarn No. 2 Trust
Furnmore No 2 Trust
Furnoosa No. 2 Trust
Furnpel No 2 Trust
Furnroc No. 2 Trust
Furnsprings No. 2 Trust
Furnstar No. 2 Trust
Furnwhy No. 2 Trust
Furnwood No. 2 Trust
FV Superstore No 2 Trust**
Fyshcom No. 2 Trust
Gamstore No. 2 Trust
Gamtec No. 2 Trust
Gardfurn No. 2 Trust
Gardstore No 2 Trust
GC Bedding No. 2 Trust
GC Store No 2 Trust**
GC Superstore No. 2 Trust
Gelfurn No. 2 Trust
Gellect No. 2 Trust
Gepavit No 2 Trust**
Gepps Cross Superstore No. 2 Trust
Geraldcom No. 2 Trust
Geraldstore No. 2 Trust
Geraldtec No 2 Trust**
Geraldton WA No 1 Trust
Geraldton WA No 2 Trust
Geralect No 2 Trust
Gladlect No. 2 Trust
Gladstone Superstore No 2 Trust**
Gladstores No. 2 Trust
Gladstores Qld No. 2 Trust
Glenorchy Computers No 2 Trust**
Glenorchy Electrics No. 2 Trust
Glenorchy Furniture No. 2 Trust
Gocomp No. 2 Trust
Golect No. 2 Trust
Goscane No. 2 Trust
Gostec No. 2 Trust
Granovi No. 2 Trust
Griffcom No. 2 Trust
Griffel No. 2 Trust
Grovelect No. 2 Trust
Grovit No. 2 Trust
Gymlect No. 2 Trust
Gympie Superstore No. 2 Trust
Gympiestore No. 2 Trust
Gymtec No. 2 Trust
H.N. Cards Trust

Notes to the Financial Statements (continued)

38. Controlled Entities and Unit Trusts (continued)

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

Hamlect No. 2 Trust
Hamptonel No. 2 Trust
Hanazil No. 2 Trust
Hanfurn No. 2 Trust
Harborcom No. 2 Trust
Harborel 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 No. 1 Trust
Harvey Norman Rosney Franchisor Unit Trust
Harvey Norman Shopfitting Trust
Harvey Norman Tasmania Agent Unit Trust
Harvey Norman Ulverstone Franchisor Unit Trust
Havencom No. 2 Trust
Havenel No. 2 Trust
Havnet No. 2 Trust
HB Superstore No 2 Trust**
Hedavit No 2 Trust**
Helect No. 2 Trust
Hervey Bay Superstore No. 2 Trust
Herveyfurn No. 2 Trust
Herveylect No. 2 Trust
Hobart City Electrics No. 2 Trust
Hobartcom No. 2 Trust
Holmebed No. 2 Trust
Holmlect No 2 Trust**
Homedall No 2 Trust**
Homefloor No. 2 Trust
Hoodtec No. 2 Trust
Horshamcom No. 2 Trust
Hytoru No. 2 Trust
Indavit No 2 Trust**
Indooroopilly Superstore No. 2 Trust
Indycom No. 2 Trust
Inelect No. 2 Trust
Innistec No. 2 Trust
Inrolect No. 2 Trust
Inropel No. 2 Trust
Ipswich Superstore No. 2 Trust
Irbed No 2 Trust**
Jamitec No. 2 Trust
Jasbeds No. 2 Trust
Jaslect No. 2 Trust
Jazap No. 2 Trust
Jefrondo No. 2 Trust
Jenbed No. 2 Trust
Jenfurn No. 2 Trust
JMC Warrawong No. 2 Trust
JME Warrawong No. 2 Trust
Joolbed No. 2 Trust
Joonapp No. 2 Trust
Joonlect No. 2 Trust
Joonstore No. 2 Trust
Kaboola No. 2 Trust
Kainel No. 2 Trust
Kalgoorlie Computers No. 2 Trust
Kalinya Unit Trust
Kallie No. 2 Trust
Kawana Superstore No 2 Trust**
Kawatec No. 2 Trust
Kayfurn No. 2 Trust
Kelsocom No. 2 Trust
Kenstore No. 2 Trust
Kingalect No. 2 Trust
Kingarel No. 2 Trust
Kingaroy Superstore No 2 Trust**
Kingatec No. 2 Trust
Labatec 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
Lanbed No 2 Trust
Launceston Computers No. 2 Trust
Launceston Electrics No. 2 Trust
Lecany No. 2 Trust
Lecedy No. 2 Trust
Lectaba No. 2 Trust
Lectdore No. 2 Trust
Lectox No. 2 Trust
Lecwar No. 2 Trust
Lesandu Albury Trust
Lesandu Campbelltown Trust
Lesandu Fairfield Trust
Lesandu Gordon Trust
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
Lesoon No. 2 Trust
Leybed No 2 Trust
Leylect No 2 Trust
Leytrics No. 2 Trust
Limel No. 2 Trust
Lis Computers No. 2 Trust
Lisbed No. 2 Trust
Lisstore No. 2 Trust
Livel No. 2 Trust
Lodare No 2 Trust
Loganel No. 2 Trust
Loganholme Computers No. 2 Trust
Lunabed No 2 Trust**
Lunel No. 2 Trust
Mackay Superstore No. 2 Trust
Mackay Trust
Macvit No. 2 Trust
Magatec No 2 Trust**
Magavit No. 2 Trust
Maglect No. 2 Trust
Maitrics No. 2 Trust
Makelect No. 2 Trust
Malaga Electrics No. 2 Trust
Malbed No. 2 Trust
Mallway No. 2 Trust
Malstore No. 2 Trust
Malvis No 2 Trust
Manavit No 2 Trust**
Mandalec No. 2 Trust
Mandcom No. 2 Trust
Mandurah Superstore No 2 Trust**
Mandurbed No. 2 Trust
Maracom No. 2 Trust
Marfurn No 2 Trust**
Marion Bedding No 2 Trust**
Marioncom No. 2 Trust
Marlect No. 2 Trust
Marocom No. 2 Trust
Marootec No. 2 Trust
Marstore No. 2 Trust
Martin Place Electrics No. 2 Trust
Maryfloor No. 2 Trust
Maylect No. 2 Trust
Mayorti No. 2 Trust
Mayotec No. 2 Trust
Mentone Superstore No. 2 Trust
MFD Toowoomba No 2 Trust
Midland Superstore No 2 Trust**
Midlandel No. 2 Trust
Midlander No. 2 Trust
Midlect No 2 Trust**
Midtyme No. 2 Trust
Millsberg No. 2 Trust
Moore Park Computers No 2 Trust**
Moratec No 2 Trust**
Moraystore No. 2 Trust
Mosscom No 2 Trust**
Moybed No. 2 Trust
Moyel No. 2 Trust
MP Bedding No 2 Trust**
Mt Barker Superstore No 2 Trust**
Mt Gambier Furniture No 2 Trust
Mt Gambier Superstore No. 2 Trust
Mt Isa Homeware No. 2 Trust
Mt Isa Retailing No. 2 Trust
MTI Computers No. 2 Trust
Mudgee Electrics No. 2 Trust
Mudgee Retailing No. 2 Trust
Munnara No. 2 Trust
Munnel No. 2 Trust
Munno Para Superstore No 2 Trust**
Munnofloor No 2 Trust**
Muracom No. 2 Trust
Murray Street Development Trust
Nawcom No. 2 Trust
Noaravit No 2 Trust**
Noarlunga Superstore No. 2 Trust
Noartec No. 2 Trust
Noosa Computers No. 2 Trust
Noostore No 2 Trust**
Norfurn No. 2 Trust
Norlect No. 2 Trust
Norstcom No. 2 Trust
North Ryde Furniture No 2 Trust
North Ryde Homewares No 2 Trust
Novaab No 2 Trust**
Nowracom No. 2 Trust
Noxel No. 2 Trust
Nusound No 2 Trust**
OC Superstore No. 2 Trust
Oconavit No 2 Trust**
Ollec No. 2 Trust
Olscom No. 2 Trust
Orancom No. 2 Trust
Osbcomm No. 2 Trust
Osborne Park Computers No. 2 Trust
Oslect No. 2 Trust
Oslek Developments Trust
Osraidi No 2 Trust
Oxel No. 2 Trust
Oxley Superstore No 2 Trust**
Oxleybed No. 2 Trust
Packcom No. 2 Trust
Paralect No. 2 Trust
Parkbed No. 2 Trust
Parkel No. 2 Trust
Parksel No. 2 Trust
Pepavit No. 2 Trust
Peppercom No. 2 Trust
Pepperlect No 2 Trust
Pettivil No. 2 Trust
PH Superstore No. 2 Trust
Plainavit No 2 Trust**
Plainsbed No. 2 Trust
Plainsfloor No 2 Trust**
Plainsfurn No. 2 Trust
Playel No. 2 Trust
Plomara No. 2 Trust
Porterel No. 2 Trust
Punable No. 2 Trust
QCV Benaraby No. 1 Trust
QVCom No. 2 Trust
QVElect No. 2 Trust
Rathstore No. 2 Trust
Renovic No 2 Trust
Richfloors No. 2 Trust

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

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

Roamcom No. 2 Trust
Roccom No. 2 Trust
Rockavit No 2 Trust**
Rockhampton Furniture No. 2 Trust
Rohancom No. 2 Trust
Rosny Computers No 2 Trust
Rosny Electrics No 2 Trust
Rosny Furniture No 2 Trust
Rothbed No 2 Trust**
Rothcom No. 2 Trust
Rothfloors No. 2 Trust
Rothlect No. 2 Trust
Rothwell Computers No. 2 Trust
Rothwell Electrics No. 2 Trust
Rothwell Flooring No. 2 Trust
Rothwell Furniture No 2 Trust
Rugware No. 2 Trust
Rydefurn No 2 Trust**
Rydewares No 2 Trust**
Sakotec No. 2 Trust
Sandstore No. 2 Trust
Sergfurn No 2 Trust
Setes No 2 Trust**
Shinefurn No. 2 Trust
Shortell No. 2 Trust
Showtara No. 2 Trust
Sinestore No. 2 Trust
Sinetec No. 2 Trust
Snipap No. 2 Trust
Sohlect No. 2 Trust
Southel No. 2 Trust
Southland Superstore No. 2 Trust
Supershepp No. 2 Trust
Sydney No. 1 Trust
Symlect No. 2 Trust
Tarcom No. 2 Trust
Taretec No. 2 Trust
Tarilpe No 2 Trust**
Tarzello No. 2 Trust
Tecalla No. 2 Trust
Tecaroy No. 2 Trust
Tecberg No. 2 Trust
Tecdale No. 2 Trust
Tecgrove No 2 Trust
Tecisa No. 2 Trust
Teckal No. 2 Trust
Tecken No. 2 Trust
Tecplace No. 2 Trust
The Calardu Trust
Thomlect No. 2 Trust
Toocomp QLD No. 2 Trust
Toofloor No. 2 Trust
Toolect No. 2 Trust
Toowoomba Superstore No 2 Trust**
Torcarsa No 2 Trust
Town Furniture No. 2 Trust
Townlect No. 2 Trust
Townsville Superstore No. 2 Trust
Towntec No. 2 Trust
Tralgel No. 2 Trust
Tralgstore No. 2 Trust
Tweedcom No. 2 Trust
Ulverstone Homemaker No. 2 Trust
Valecomp No. 2 Trust
Valley Superstore No. 2 Trust
Valleyfurn No. 2 Trust
Verlect No. 2 Trust
Veycom No. 2 Trust
Viczat No. 2 Trust
Villel No. 2 Trust
Volect No. 2 Trust
Wacomp No. 2 Trust
Waggacom No. 2 Trust
Wakel No. 2 Trust
Walesfloor No. 2 Trust
Wangarcom No. 2 Trust
Wangarel No. 2 Trust
Waravit No 2 Trust**
Wardfloor No. 2 Trust
Warncom No. 2 Trust
Warnerstore No. 2 Trust
Warracom No. 2 Trust
Warralect No. 2 Trust
Warratec No. 2 Trust
Warrawong Computers No. 2 Trust
Warrcom No. 2 Trust
Warrics No 2 Trust
Wartec No. 2 Trust
Warwick Superstore No. 2 Trust
Warwicom No. 2 Trust
Watec No. 2 Trust
Waurncom No. 2 Trust
Waurnel No. 2 Trust
Waylect No. 2 Trust
Waystore No. 2 Trust
Westkis No. 2 Trust
Westore No. 2 Trust
Westwond No. 2 Trust
WG Superstore No 2 Trust**
Whyalla Superstore No 2 Trust**
Whyel No. 2 Trust
Wicktec No 2 Trust**
Wikavit No 2 Trust**
Wiley Park Computers No. 2 Trust
Wileycom No. 2 Trust
Willect No. 2 Trust
Windsorall No. 2 Trust
Winell No. 2 Trust
Wodenfurn No 2 Trust**
Wolfene No. 2 Trust
Wonel No. 2 Trust
Woodel No. 2 Trust
Woodville Computers No. 2 Trust
Woodville Superstore No 2 Trust**
Yalltec 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
Dalltec No. 2 Trust**
Geraldel No. 2 Trust**
Stonecom No. 2 Trust**

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. Deed of Cross Guarantee

Certain controlled entities (Closed Group) 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 certain companies within the consolidated entity are relieved from the requirements to prepare financial statements.

- Controlled Entities (Refer Note 38) marked [1] are members of the "Closed Group".
- Controlled Entities (Refer Note 38) marked [2] are relieved under the Class Order.

The consolidated statement of financial position and income statement of the entities that are members of the "Closed Group" are as follows:

Consolidated Statement of Financial Position

	2012 $000	2011 $000
Current Assets		
Cash and cash equivalents	91,574	83,048
Trade and other receivables	1,086,449	1,152,033
Other financial assets	24,396	41,229
Inventories	59,819	142,218
Intangible assets	531	322
Other assets	15,421	14,378
Total current assets	1,278,190	1,433,228
Non-Current Assets		
Trade and other receivables	9,427	13,582
Investments accounted for using equity method	151,502	152,580
Other financial assets	111,257	111,310
Property, plant and equipment	197,969	203,275
Investment properties	1,653,746	1,601,601
Intangible assets	56,659	57,831
Deferred income tax assets	24,711	19,804
Total non-current assets	2,205,271	2,159,983
Total Assets	3,483,461	3,593,211
Current Liabilities		
Trade and other payables	491,978	730,987
Interest-bearing loans and borrowings	120,821	39,802
Income tax payable	7,673	(102)
Provisions	9,964	15,838
Other liabilities	325	327
Total current liabilities	630,761	786,852
Non-Current Liabilities		
Interest-bearing loans and borrowings	543,796	487,352
Provisions	7,769	8,384
Deferred income tax liabilities	169,378	180,655
Other liabilities	1,251	1,420
Total non-current liabilities	722,194	677,811
Total Liabilities	1,352,955	1,464,663
NET ASSETS	2,130,506	2,128,548
Equity		
Contributed equity	259,610	259,610
Reserves	(4,220)	9,298
Retained profits	1,875,116	1,859,640
TOTAL EQUITY	2,130,506	2,128,548

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. Deed of Cross Guarantee (continued)

Consolidated Income Statement

	2012 $000	2011 $000
Profit from continuing operations before income tax expense	166,289	350,267
Income tax expense	(33,958)	(80,356)
Profit after tax from continuing operations	132,331	269,911
Profit for the year	132,331	269,911
Retained earnings at the beginning of the year	1,859,640	1,727,830
Dividends provided for or paid	(116,855)	(138,101)
Retained earnings at the end of the year	1,875,116	1,859,640

40. Parent Entity Financial Information

(a) Summary Financial Information

	PARENT ENTITY	
	2012 $000	2011 $000
Statement of Financial Position		
Current assets	36	-
Non-current assets	1,866,914	1,779,868
Total assets	1,866,950	1,779,868
Current liabilities	8,504	4,367
Non-current liabilities	45,926	42,482
Total liabilities	54,430	46,849
Contributed equity	259,610	259,610
Retained profits	1,552,910	1,473,409
Total Equity	1,812,520	1,733,019
Profit for the Year	196,356	295,194
Total Comprehensive Income	196,356	295,194

(b) Contingent Liabilities

As at 30 June 2012, the parent entity had guaranteed the performance of a number of controlled entities which have entered into operating leases and facilities with other parties totalling $274.93 million (2011: $352.07 million).

41. Significant Events After Balance Date

In early July 2012, the Company announced the restructure of the Irish and Northern Irish businesses with the aim of reducing future losses and increasing growth. The main features of the restructure include:

- The launch of a large new furniture and bedding store in West Dublin;
- The launch of Harvey Norman Online, a new e-commerce initiative in Ireland and Northern Ireland;
- The closure of the store located at Mullingar, Ireland which has underperformed;
- The reformatting of the Dundalk Outlet store in Ireland to focus on the furniture and bedding categories;
- The reformatting of the two stores in Northern Ireland located at Newtownabbey and Holywood to focus on the furniture and bedding categories.

The consolidated entity is in the process of assessing and quantifying the impact of the proposed restructure and, based on early estimates, does not believe that the costs would have a material impact to the results of the group.

DIRECTOR'S DECLARATION

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

In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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 year ended 30 June 2012.

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 38 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.

K. L. Page

G. HARVEY	**K.L. PAGE**
Executive Chairman	Executive Director / Chief Executive Officer
Sydney	Sydney
28 September 2012	28 September 2012

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
www.ey.com/au

Independent auditor's report to the members of Harvey Norman Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Harvey Norman Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Liability limited by a scheme approved under
Professional Standards Legislation

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Auditor's opinion

In our opinion:

a. the financial report of Harvey Norman Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 19 to 30 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Harvey Norman Holdings Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Katrina Zdrilic
Partner

Sydney
28 September 2012

Shareholder Information

Distribution of Shareholdings as at 27 September 2012

Size of Holding	Ordinary Shareholders
1 – 1,000	6,558
1,001 – 5,000	8,132
5,001 – 10,000	2,042
10,001 – 100,000	1,595
100,001 and over	146
	18,473
Number of Shareholders With less than a marketable parcel	1,636

Voting Rights

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

Twenty Largest Shareholders as at 27 September 2012

Number of Ordinary Shares	Shareholder	Percentage of Ordinary Shares
312,509,532	Mr Gerald Harvey & G. Harvey Nominees Pty Limited	29.42%
175,249,660	Dimbulu Pty Limited	16.50%
103,472,919	National Nominees Limited	9.74%
90,548,407	J P Morgan Nominees Australia Limited	8.52%
55,733,733	RBC Dexia Investor Services Australia Nominees Pty Limited	5.25%
54,036,041	HSBC Custody Nominees (Australia) Limited	5.09%
49,990,575	Ms Margaret Lynette Harvey	4.71%
36,817,958	Citicorp Nominees Pty Limited	3.47%
23,010,567	Cogent Nominees Pty Limited	2.17%
17,118,200	Enbeear Pty Limited	1.61%
16,995,133	Ms Kay Lesley Page	1.60%
11,148,435	UBS Nominees Pty Limited	1.05%
4,030,000	Argo Investments Limited	0.38%
3,945,966	QIC Limited	0.37%
2,845,553	Mr Michael Harvey	0.27%
1,869,646	Bond Street Custodians Limited	0.18%
1,805,078	Omnilab Media Investments Pty Limited	0.17%
1,704,354	AMP Life Limited	0.16%
1,286,143	CS Fourth Nominees Pty Limited	0.12%
1,078,051	BNP Paribas Noms Pty Limited	0.10%
965,195,951		90.86%

Total held by twenty largest shareholders as a percentage of total ordinary shares is 90.86% as at 27 September 2012.

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

AUSTRALIAN CAPITAL TERRITORY

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

NEW SOUTH WALES (SYDNEY SUBURBAN)

ALEXANDRIA
494 - 504 Gardeners Road
Alexandria 2015
Phone: (02) 9693 0666

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

CASTLE HILL
18 Victoria Avenue
Castle Hill 2154
Phone: (02) 9840 8800

CHATSWOOD
Level 2 Chatswood Chase
Cnr Archer & Victoria Ave
Chatswood 2067
Phone: (02) 9419 1100

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

LIVERPOOL
Liverpool Mega Centre
2/18 Orangegrove Road
Liverpool 2170
Phone: (02) 9600 3333

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

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

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

MT DRUITT
Westfield Building
2 Carlisle Avenue
Mt Druitt 2770
Phone: (02) 8887 7300

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

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

BALLINA
26 Boeing Avenue
Ballina 2478
Phone: (02) 6620 5300

BATEMAN BAY
Shop 5 Bay Central
1 Clyde Street
Bateman's Bay 2536
Phone: (02) 4472 5994

BATHURST
Sydney Road
Kelso 2795
Phone: (02) 6332 3399

BENNETTS GREEN (HOMESTARTERS)
7 Abdon Close
Bennetts Green 2290
Phone: (02) 4948 4555

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

COBAR
27 Marshall Street
Cobar 2835
Phone: (02) 6836 3222

COFFS HARBOUR
252 Coffs Harbour Highway
Coffs Harbour 2450
Phone: (02) 6651 9011

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

DUBBO
223 Cobra Street
Dubbo 2830
Phone: (02) 6826 8800

FORSTER
29 Breese Parade
Forster 2428
Phone: (02) 6554 5700

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

NEW SOUTH WALES (COUNTRY) (CONTINUED)

FRISCO HOME FURNISHERS (NEWCASTLE)
391 Hillsborough Road
Warners Bay 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

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

LAKEHAVEN
59 - 83 Pacific Highway
Lakehaven 2263
Phone: (02) 4394 6000

LISMORE
17 Zadoc Street
Lismore 2480
Phone: (02) 6621 8888

LITHGOW
175 Mian Street
Lithgow 2790
Phone: (02) 6351 2321

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

MUDGEE
33 Castlereagh Highway
Mudgee 2850
Phone: (02) 6372 6514

MUSWELLBROOK
19 Rutherford Road
Muswellbrook 2333
Phone: (02) 6541 6800

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
Unit 1, Orange Grove
H/maker Centre
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

SALAMANDER BAY
270 Sandy Point Road
Salamander Bay 2317
Phone: (02) 4981 1292

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

TAREE
9 Mill Close
Taree 2430
Phone: (02) 6551 3699

TEMORA
102 Hoskins Street
Temora 2666
Phone: (02) 6977 1777

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

WEST WYALONG
114 Main Street
West Wyalong 2671
Phone: (02) 6972 2077

YOUNG
326 Boorowa Street
Young 2594
Phone: (02) 6382 5744

NORTHERN TERRITORY

ALICE SPRINGS
1 Colson Street
Alice Springs 0870
Phone: (08) 8950 4000

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

QUEENSLAND (BRISBANE SUBURBAN)

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

BRISBANE
BROADWAY ON THE MALL
Shop SF01
170 Queen Street
Brisbane 4000
Phone: (07) 3013 2800

BROWNS PLAINS
Unit 3
28 - 48 Browns Plains Road
Browns Plains 4118
Phone: (07) 3380 0600

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

BURLEIGH WATERS
1 Santa Maria Crt
Burleigh Waters 4220
Phone: (07) 5586 2000

CAPALABA
Shop 32 - 33 Capalaba Centre
38-62 Moreton Bay Road
Capalaba 4157
Phone: (07) 3362 6200

CARINDALE
Homemaker Centre
Cnr Carindale Street and
Old Cleveland Road
Carindale 4152
Phone: (07) 3398 0600

CLEVELAND
Shop 1A, 42 Shore Street West
Cleveland 4163
Phone: (07) 3488 8900

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

QUEENSLAND (BRISBANE SUBURBAN) (CONTINUED)

EVERTON PARK
429 Southpine Road
Everton Park 4053
Phone: (07) 3550 4444

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

LOGANHOLME
3890 - 3892 Pacific Highway
Loganholme 4558
Phone: (07) 3440 9200

LOGANHOLME
Hyperdome Home Centre
Pacific Highway
Loganholme 4129
Phone: (07) 3451 5000

MACGREGOR
555 Kessels Road
Macgregor 4109
Phone: (07) 3849 9500

MAROOCHYDORE
Shop 5, Pacific Highway
Sunshine Homemaker
Centre
Maroochydore 4558
Phone: (07) 5452 7144

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

MT GRAVATT
2049 Logan Street
Upper Mt Gravatt 4122
Phone: (07) 3347 7000

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

QUEENSLAND (COUNTRY)

ALBANY CREEK
Cnr Gayford Street
& Albany Creek Road
Aspley 4035
Phone: (07) 3630 9000

ATHERTON
57 Tolga Road
Atherton 4883
Phone: (07) 4091 0900

AYR
101 Queens Street
Ayr 4807
Phone: (07) 4783 3188

BUNDABERG
125 Takalvan Street
Bundaberg 4670
Phone: (07) 4151 1570

CAIRNS
101 Spence Street
Portsmith 4870
Phone: (07) 4051 8499

CANNONVALE
Shop B2, Centro Whitsunday
Ctr
8 Galbraith Drive
Cannonvale 4802
Phone: (07) 4969 8800

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

GLADSTONE
Shop 1B Centro Centre
220 Dawson Highway
Gladstone 4680
Phone: (07) 4971 5000

GYMPIE
35-37 Edwin Campion
Drive
Monkland 4570
Phone: (07) 5480 1500

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

IPSWICH
Ipswich City Square
606 - 616, 163 Brisbane St
Ipswich 4305
Phone: (07) 3280 7400

KAWANA WATERS
Lot 28 Nicklin Way
Minyama Gardens
Kawana Waters 4575
Phone: (07) 5457 6800

KINGAROY
18 - 20 Rogers Drive
Kingaroy 4610
Phone: (07) 4160 0400

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

MARYBOROUGH
72 - 74 Bazaar Street
Maryborough 4650
Phone: (07) 4123 1699

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

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

ROTHWELL
Unit 1
439 - 443 Anzac Avenue
Rothwell 4022
Phone: (07) 3897 8800

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

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

TASMANIA

BURNIE
64 Mount Street
Burnie 7320
Phone: (03) 6431 2134

CAMBRIDGE PARK
Unit B11
66 - 68 Kennedy Drive
Cambridge Park 7170
Phone: (03) 6248 3300

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

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

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

MOONAH
191 - 197 Main Road
Moonah 7009
Phone: (03) 6277 7777

SOUTH AUSTRALIA (ADELAIDE SUBURBAN)

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

GEPPS CROSS
Unit 1, 760 Main North Road
Gepps Cross 5094
Phone: (08) 8342 8888

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

MILE END COMMERCIAL
20 William Street
Mile End 5031
Phone: (08) 8150 8000

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

NOARLUNGA
Seaman Drive
Noarlunga 5168
Phone: (08) 8329 5400

WOODVILLE
853 - 867 Port Road
Woodville 5011
Phone: (08) 8406 0100

SOUTH AUSTRALIA (COUNTRY)

MT BARKER
6 Dutton Road
Adelaide Hills Homemaker Centre
Mt Barker 5251
Phone: (08) 8393 0800

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

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

VICTORIA (MELBOURNE SUBURBAN)

BRAYBROOK
227 Ballarat Road
Braybrook 3019
Phone: (03) 9304 6200

BROADMEADOWS
1185 - 1197 Pascoe Vale Rd
Broadmeadows 3047
Phone: (03) 9621 2800

CHADSTONE
699 Warrigal Road
Chadstone 3148
Phone: (03) 9567 6666

COBURG
Shop 8, 64 - 74 Gaffney St
Coburg 3058
Phone: (03) 9240 2500

CHIRNSIDE PARK
286 Maroondah Highway
Mooroolbark 3138
Phone: (03) 9722 4400

CRANBOURNE
Cnr South Gippsland H/Way & Thompson Road
Cranbourne 3977
Phone: (03) 5991 0000

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

FOUNTAIN GATE
Fountain Gate S/Centre
Overland Drive
Narre Warren 3805
Phone: (03) 8796 6777

FRANKSTON
87 Cranbourne Road
Frankston 3199
Phone: (03) 8796 0600

GREENSBOROUGH
(Electrical & Computers)
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 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

MOORABBIN
(Warrigal Road)
444 Warrigal Road
Moorabbin 3189
Phone: (03) 9552 7100

MORNINGTON
Building C3
Peninsula Centre
Bungower Road
Mornington
Phone: (03) 5970 2500

NUNAWADING
400 Whitehorse Road
Nunawading 3131
Phone: (03) 9872 6366

PRESTON
121 Bell Street
Preston 3072
Phone: (03) 9269 3300

RICHMOND
479 Bridge Street
Richmond 3131
Phone: (03) 8416 4100

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

VICTORIA (MELBOURNE SUBURBAN) (CONTINUED)

RINGWOOD
Shops 1 & 4
166 Maroondah Highway
Ringwood 3134
Phone: (03) 9871 2200

SPRINGVALE
26/917 Princes Highway
Springvale 3171
Phone: (03) 9518 8500

SUNSHINE
484 Ballarat Road
Sunshine 3020
Phone: (03) 9334 6000

THOMASTOWN
308 - 320 Settlement Road
Thomastown 3074
Phone: (03) 9463 4777

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

VICTORIA (COUNTRY)

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

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

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

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

MORWELL
232 Commercial Road
Morwell 3840
Phone: (03) 5120 0200

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

SHEPPARTON
7950 Goulburn Valley Hwy
Shepparton 3630
Phone: (03) 5823 2530

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

TRARALGON
Cnr Princes Hwy & Liddiard
Rds Traralgon 3844
Phone: (03) 5174 8177

VIC / TAS COMMERCIAL
951 Nepean Highway
Bentleigh 3204
Phone: (03) 8530 6300

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
Waurn Ponds 3216
Phone: (03) 5240 6200

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

WESTERN AUSTRALIA (PERTH SUBURBAN)

ARMADALE
10 Prospect Road
Armadale 6112
Phone: (08) 9498 4400

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

BELMONT NORTH
52 Belmont Avenue
Belmont 6104
Phone: (08) 9373 4400

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

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

EDGEWATER
Cnr Joondalup Drive &
Eddystone Ave
Joondalup 6210
Phone: (08) 9301 4833

GREAT EASTERN HIGHWAY
195 Great Eastern Highway
Midland 6056
Phone: (08) 9267 9700

GUTHRIE STREET
(OSBORNE PARK)
52 Guthrie Street
Osborne Park 6017
Phone: (08) 9445 5000

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

MALAGA
27 Kent Way
Malaga 6090
Phone: (08) 9270 6300

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

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

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

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

WESTERN AUSTRALIA (PERTH SUBURBAN) (CONTINUED)

VICTORIA PARK
1010 Albany Highway
East Victoria Park 6010
Phone: (08) 9470 4949

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

DOMAYNE

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

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

BELROSE
GO1 4 - 6 Niangala Close
Belrose
Phone: (02) 9479 8800

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

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

CASTLE HILL
16 Victoria Avenue
Castle Hill 2155
Phone: (02) 9846 8800

CITY WEST
25 Sutherland Street
City West 6004
Phone: (08) 9215 8600

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

NORTH RYDE
31 - 35 Epping Road
North Ryde 2113
Phone: (02) 9888 8888

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

SPRINGVALE
10/971 Princes Highway
Springvale 3171
Phone: (03) 9565 8200

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

JOYCE MAYNE

ALBURY
Unit 6
94 Borella Road
Albury 2640
Phone: (02) 6043 0800

BENNETTS GREEN
Unit 1
7 Groves Road
Bennetts Green 2290
Phone: (02) 4014 1800

BUNDABERG
7-9 / 1 - 9 Enterprise Street
Bundaberg 4670
Phone: (07) 4151 6500

CHANCELLOR PARK
Showroom 2
Chancellor Park Blvd
Sippy Downs 4556
Phone: (07) 5477 2200

MACKAY
2 - 8 Trade Crt
Mt Pleasant
Aspley 4109
Phone: (07) 4942 9744

MAITLAND
Unit 6
366 New England Highway
Rutherford 2320
Phone: (02) 4932 2300

MAROOCHYDOORE
64 - 70 Aerodrome Road
Maroochydoore 4558
Phone: (07) 5409 0200

Directory of Harvey Norman, Domayne & Joyce Mayne Shopping Complexes

JOYCE MAYNE (CONTINUED)

NOWRA
Cnr Central Ave &
Princes Highway
Nowra 2541
Phone: (02) 4448 0000

ROCKHAMPTON
407 Yaamba Road
North Rockhampton 4701
Phone: (07) 4926 224

TOOWOOMBA
675 Rithven Street
Toowoomba 4350
Phone: (07) 4632 9444

TOUKLEY
223 Main Road
Toukley 2263
Phone: (02) 4396 4133

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

WAGGA WAGGA
7 Riverina Plaza
15 - 27 Berry Street
Wagga Wagga 2650
Phone: (02) 6921 4994

WARRAWONG
113 King Street
Warrawong 2502
Phone: (02) 4276 0000

NEW ZEALAND

ASHBURTON
Cnr West & Moore Streets
Ashburton
Phone: 0011 643 307 5000

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

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

GISBORNE
51 Customshouse Street
Gisborne
North Island 4011
Phone: 0011 646 869 2900

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

HENDERSON
10 - 12 Ratanui Street
Henderson
Phone: 0011 649 835 5000

INVERCARGILL
245 Tay
Invercargill
Phone: 0011 643 219 9100

LOWER HUT
28 Rutherford Street
Lower Hutt
Phone: 0011 644 894 8200

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

MT MAUNGANUI
2 - 10 Owens Plae
Mt Maunganui
Phone: 0011 647 572 7200

MT WELLINGTON
20 - 54 Mt Wellington Hwy
Mt Wellington Auckland
Phone: 0011 649 570 3440

NELSON
69 Vincent Street
Nelson
Phone: 0011 643 539 5000

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

NORTHWOOD
Unit 1 Radcliffe Road
Northwood
Christchurch
Phone: 0011 646 375 98002

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

PARAPARAUMU
Coastlands S/Centre
State Highway 1
Paraparaumu
Phone: 0011 644 296 3100

PORIRUA
19 Parumoana Street
Porirua
Wellington
Phone: 0011 644 237 2600

PUKEKOHE
Pukekohe Mega Centre
182 - 192 Manukau Road
Pukekohe
Phone: 0011 649 237 3500

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
Wangtanui
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

WHAKATANE
The Hub
State Highway 30
Whakatane
Phone: 0011 649 306 0600

NORMAN ROSS

BOTANY DOWNS
Unit F
451 Ti Rakau Drive
Botany
Phone: 0011 649 253 9200

PALMERSTON NORTH
Unit C
210 - 248 Rangitikei Street
Palmerston North
Phone: 0011 646 953 3500

TOWER JUNCTION
Clarence Building
66 Clarence Street
Tower Junction
Christchurch
Phone: 0011 643 968 3600

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

IRELAND

BLANCHARDSTOWN
Unit 421 Blanchardstown
Retail Park Blanchardstown
Dublin 15
Phone: 0011 353 1 824 7400

CARRICKMINES
Unit 230 The Park
Carrickmines Dublin 18
Phone: 0011 353 1 824 7400

CASTLEBAR
Unit D,E & F
Castlebar Retail Park
Breaffy Road Castlebar
Phone: 0011 353 94 906 3900

CORK
Kinsale Road Ballycurreeh
Cork, Dublin
Phone: 0011 353 21 425 0900

DRUGHEDA
Units 8 - 11
Drogheda Retail Park
Donore Road Drogheda
Phone: 0011 353 4 1987 8200

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

LIMERICK
Units 5, 6 & 7
City East Retail Park
Ballysimon Road
Limerick Dublin
Phone: 0011 353 61 422 800

LITTLE ISLAND
Units 9 - 11
Eastgate Retail Park
Little Island Cork
Phone: 0011 353 21 500 1500

MULLINGAR
Unit O
Lakepoint Retail Park
Mullingar
Co Westmeath
Phone: 0011 353 44 934 6800

NAAS
Unit GHIJK
New Holl Retail Park
Naas Ireland
Phone: 0011 353 04 590 7700

RATHFARNHAM
Nutgrove Retail Park
Nutgrove Avenue
Rathfarnham Dublin 18
Phone: 0011 353 1 291 0100

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

TRALEE
Unit 8A
Manor West Retail Park
Tralee, Co Kerry
Phone: 0011 353 66 716 4900

WATERFORD
Units 5 - 8
Butlerstown Retail Park
Butlerstown Roundabout
Outer Ring Road
Co Waterford
Phone: 0011 353 5131 9900

NORTHERN IRELAND

HOLYWOOD
Units A-D Holywood
Exchange
Airport Road Belfast
Phone: 0011 44 28903 5800

NEWTOWNABBEY
Units 1&2
Valley Retail Park
Church Road Newtownabbey
Phone: 0011 44 28903 60800

SLOVENIA

CELJE
Kidričeva ulica 26A
3000 Celje
Phone: 0011 386 3425 0050

KOPER
Ankaranska c3C
Koper
Phone: 0011 386 5610 0102

LJUBLJANA
Letališka 3D
1000 Ljubljana
Phone: 0011 386 1585 5000

MARIBOR
Bohora La
He wants 2311
Phone: 0011 386 2300 4850

NOVO MESTO
Ljubljanska Cesta 95
8000 Novo Mesto
Phone: 0011 386 7309 9920

CROATIA

ZAGREB
Rudera 34/2
10000 Zagreb
Phone: 0011 385 1556 6200

SINGAPORE

HARVEY NORMAN
BUKIT PANJANG
1 Jelebu Road
Singapore
Phone: 0011 65 6767 1500

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

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

SINGAPORE (CONTINUED)

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

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

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

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

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

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

HARVEY NORMAN
SQUARE TWO
Square 2, B1 – 06t o 75
10 Sinaran Drive
Singapore
Phone: 0011 65 6397 6190

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

MALAYSIA

HARVEY NORMAN
BUKIT TINGGI
Lot F 42 1st Floor
AEON Bukit Tinggi S/Centre
No. 1 Persiaran Batu Nilam
1/KS 6
Bandar Bukit Tinggi 2
41200 Klang, Selangor D.E.
Malaysia
Phone: 0011 963 3326 2630

HARVEY NORMAN
CITTA MALL
No 1 Jalan PJU 1A/48
PJU 1A, Ara Damansara
47301 Petalang Jaya
Phone: 0011 963 7846 1025

HARVEY NORMAN
IKANO POWER CENTRE
Unit F3 1st Floor Ikano Ctr
No 2 Jalan PJU 7/2
Mutiara Damansara
47800 Petailing Jaya
Salangor Darul Ehsan
Kuala Lumpur
Phone: 0011 963 7718 5200

HARVEY NORMAN
MID VALLEY
Lot AT-1 Lower Ground Floor
Mid Valley Megamall
Mid Valley City
Lingkaran Syed Putra
59100 Kuala Lumpur
Phone: 0011 963 2282 2860

HARVEY NORMAN
MONT KIARA
L2-07 & L2-08
No 1 Jalan Kiara
Mont Kiara
50480 Kuala Lumpur
Phone: 0011 963 6203 6380

HARVEY NORMAN
PAVILION
Lot 5.24.04 Level 5
Pavilion Kuala Lumpur
No. 168 Jalan Bukit Bintang
55100 Kuala Lumpur
Phone: 0011 963 2142 3735

HARVEY NORMAN
QUEENSBAY
Lot 2F-86 South Zone
Queensbay Mall
No 100 Persiaran Bayan
Indah
11900 Bayan Lepas
Penang Malaysia
Phone: 0011 964 630 8210

HARVEY NORMAN
SUNWAY PYRAMID
LG2.140 Lower Grount Two
Sunway Pyramid S/Centre
No. 3 Jalan PJS 11/15
Bandar Darul Ehsan Malaysia
Phone: 0011 963 5622 1300