



Half Year Results

July 04 – December 04



retail cube

diversified | specialty | retail



amazing

paints

**Your one stop
paint shop**

Presentation Outline

Half Year Results
July 04 – December 04

Group Performance

Opening Comments

Business Unit Results

Amazing Paints

King of Knives

The Athlete's Foot

Outlook

Group Performance

Half Year Results
July 04 – December 04

Half Year Ended 31 December (\$000's)	2004 Actual	2004 Budget	Variance (%)
Revenues from ordinary activities	32,874	36,065	(8.9)
Operating gross profit	17,460	19,186	(9.0)
EBITA	2,327	3,518	(33.8)
Less Amortization	372	330	12.7
Less Tax	523	1055	(50.4)
Net profit	1,432	2,463	(41.6)
Earnings per share (cents)	1.7		
Dividends per share (cents)	1.2		
Dividend payout ratio	71%		

Opening Comments

Half Year Results
July 04 – December 04

Challenges

- Housing sector weak
- Retail sector softened
- Fierce competition in King of Knives segment
- Aggregation and Listing
- Lack of immediately available resources

Opening Comments

Half Year Results
July 04 – December 04

Achievements

- Professionalising the group: resources, reporting and control structure
- New store openings across the group
- Further openings already secured
- POS system rollout at Amazing Paints
- Significant re-engineering of Amazing Paints business
- Progress in introducing franchising at King of Knives
- The Athlete's Foot traded well in a difficult environment

Business Unit Results

Amazing Paints

Half Year Results
July 04 – December 04

Half Year Ended 31 December (\$000's)	2004 Actual	2004 Budget	Variance (%)
Revenues from ordinary activities	7,366	8,689	(15.2)
Pre tax Profit	188	852	(77.9)
Retail Sales	6,454	7,728	(16.5)
Factory Sales – Internal	1,564	1,662	(5.9)
Factory Sales – External	617	675	(8.6)
Stores trading @ 30 June 2004	33		
Stores trading @ 31 December 2004	34		
Forecast stores trading @ 30 June 2005	35		



Business Unit Results

Amazing Paints

Half Year Results
July 04 – December 04

The Challenges

- Weak housing sector lead to sharp fall in sales
- Fierce price competition

The Achievements

- New POS system
- Full review of products and their pricing
- Introduction of new products
- Altered the sales mix to improve margins
- Introduced more targeted discounting
- Refurbished stores
- New recruiting and training programs
- Increased external sales



Business Unit Results

King of Knives

Half Year Results
July 04 – December 04

Half Year Ended 31 December (\$000's)	2004 Actual	2004 Budget	Variance (%)
Revenues from ordinary activities	16,126	17,860	(9.7)
Pre tax profit	1,752	2,833	(38.0)
Stores trading @ 30 June 2004	54		
Stores trading @ 31 December 2004	60		
Forecast stores trading @ 30 June 2005	66		



Business Unit Results

King of Knives

Half Year Results
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The Challenges

- Retail sector weak
- Fierce competition
- Late opening of stores
- Late delivery of stock
- Christmas came late

The Achievements

- Opened six new stores in six months to December
- Planned six new stores in current half year
- Further openings planned for six months to December 05
- POS system to be upgraded
- Updated recruiting and training processes
- Reviewing marketing, training, inventory control and ranging and operational practices
- Increased resources
- Ready for Franchising



Business Unit Results

The Athlete's Foot

Half Year Results
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Half Year Ended 31 December (\$000's)	2004 Actual	2004 Budget	Variance (%)
Revenues from ordinary activities			
Corporate stores	5,883	6,343	(7.2)
Other revenue	3,493	3,173	10.0
Total	9,376	9,516	(1.5)
Pre Tax profit	1,119	1,113	0.5
Stores trading @ 30 June 2004	105		
Stores trading @ 31 December 2004	110		
Forecast stores trading @ 30 June 2005	113		



CREATE
YOUR
PERSONAL
FITPRINT
TODAY

Business Unit Results

The Athlete's Foot

Half Year Results
July 04 – December 04

The Challenges

- Sales weak in November/Early December
- Corporate stores under pressure

The Achievements

- Franchised stores doing well
- Sales Up in January/February
- Five new store openings (net) to December 04
- Three planned store openings in current half year
- Expect results to be well up on last year



Balance Sheet

Half Year Results
July 04 – December 04

Half Year Ended 31 December (\$000's)	December 2004	Pro-forma Consolidated June 2004
ASSETS		
Current Assets	17,084	16,888
Non current Assets	40,280	37,824
Total Assets	57,364	54,702
LIABILITIES		
Current Liabilities	15,497	13,886
Non Current Liabilities	1,534	2,246
Total Liabilities	17,031	16,132
NET ASSETS	40,332	38,580
STOCK	12,081	13,103
CURRENT RATIO	1.10	1.22
INTEREST COVER	11.6	N/A

Outlook

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- Retail environment weak with fierce competition
- Housing market soft which impacts on Amazing Paints
- Indications are that renovations market starting to kick-in
- Margins and external sales rising
- KOK franchising plans on track
- KOK re-engineering will not impact the current half year
- The Athlete's Foot on track
- Leverage the platform
- Acquisitions being looked at
- Balance sheet remains strong



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Questions