



6 March 2006

Company Announcements Office  
Australian Stock Exchange Limited

By Electronic Lodgment

Dear Sir,

RE: BROKER AND INVESTOR PRESENTATIONS – RESULTS FOR HALF-YEAR ENDED 31  
DECEMBER 2005

In connection with the company's Appendix 4D Half-Yearly Report given to ASX on 3  
March 2006, we now enclose a copy of the briefing material to be used in presentations  
to brokers and investors.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'H. Knapp'.

Howard Knapp  
Company Secretary

**diversified | specialty | retail**

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ABN 85 108 096 251



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# Results for the Half Year to December 05



**retail cube**

diversified | specialty | retail



**amazing**

**paints**

**Your one stop  
paint shop**



# Presentation Outline

**Financial Results**  
**For the year ended**  
**30 June 2005**

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Opening Comments

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Group Performance

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Business Unit Results

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The Athlete's Foot

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King of Knives

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Amazing Paints

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Balance Sheet

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Outlook

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# Opening Comments

Financial Results  
For the Half year  
31 December 2005

## Management's Response

- Strengthening of management structure
- Consolidated King of Knives & The Athlete's Foot Management on one site
- 8 New store openings across the group
- Further 5 openings already secured
- The Athlete's Foot traded well in a difficult environment
- Upgrading of King of Knives positioning and merchandising
- New management and management structure at King of Knives
- 3 King of Knives stores franchised
- Amazing Paints - Significant management changes
- Further refurbishments and review the Amazing Paints investment
- Accounting Policies

# Group Performance

**Financial Results**  
**For the year ended**  
**30 June 2005**

Half Year Ended 31 <sup>st</sup> December 2005 (\$000's)	2005	2004	Variance (%)
Revenues from ordinary activities	32,280	32874	(1.8)
EBITDA	1243	2,918	(57.4)
Less Interest	302	185	(10.8)
Less Depreciation & Amortisation	614	406	51.2
Less Tax	105	523	(80.0)
Less Impairment of Assets	10723		
Net profit	(10501)	1804	)
Earnings per share (cents)	(12.36)		
Net Tangible assets ( cents per share)	7.5	8.3	

# Business Unit Results

## The Athlete's Foot

Financial Results  
For the half Year ended  
31 December 2005

### Underlying Performance Good

#### The Challenges

- Fierce competitive pressure,
- Corporate stores under pressure
- Change in accounting treatment of settlement discounts charge of \$110,000 & write off of non-performing stores \$120,000

#### Management's Response

- Staff/Management changes
- Franchised stores did well
- Comparable store sales growth of 8%
- 3 New store openings ( one closed)
- 2 new stores planned this half year
- Sales growth continuing this half year



# Business Unit Results

## The Athlete's Foot

**Financial Results**  
**For the Half Year ended**  
**31 December 2005**

Half Year Ended 31 December (\$000's)	2005	2004	Variance (%)
Revenues from ordinary activities			
Group turnover	47,379	42,477	11.5
Corporate stores turnover	5783	6181	(1.7)
Franchise revenue	2884	2687	7.3
Total	8667	8721	(0.6)
Pre Tax profit	944	1119	(15.6)
Stores trading @ 30 June 2005	112		
Stores trading @ 31 December 2005	114		



CREATE  
YOUR  
PERSONAL  
FITPRINT  
TODAY

# Business Unit Results

## King of Knives

**Financial Results**  
**For the year Half Year ended**  
**31 December 2005**

### Underlying Performance Improving

#### The Challenges

- Market soft in Spring and immediately after Christmas
- Fierce competition
- Management systems and processes upgraded
- Supply chain management upgraded
- Brand being repositioned and strengthened
- Change in accounting treatment of settlement discounts charge of \$80,000

#### Management's Response

- New Managing Director and
- Completely new management team
- Store staff structure upgraded
- New recruiting and training processes
- 4 New stores opened
- 3 More will open before June
- 3 Stores franchised and doing well
- Head Office moved to Stanmore



# Business Unit Results

## King of Knives

**Financial Results**  
**For the Half Year ended**  
**31 December 2005**

Half Year Ended 31 December (\$000's)	2005	2004	Variance (%)
Revenues from ordinary activities	16049	16110	(0.4)
Revenue from Franchisees	642		
Pre tax profit	1033	1752	(41.0)
Stores trading @ 30 June 2005	64		
Stores trading @ 31 December 2005	67		



# Business Unit Results

## Amazing Paints

Financial Results  
For the Half Year ended  
31<sup>st</sup> December 2005

### The Challenges

- Weak housing sector lead to sharp fall in sales
- Raw material price increases
- Fierce price competition
- External factory sales under pressure

### Management's Response

- Change in Managing Director & Senior Management team
- New Management introduced to re-invigorate the sales force
- New products and labels introduced
- Stock & merchandise control strictly enforced
- Sales mix and gross margins improved
- New recruiting and training programs
- Refurbish stores
- New sales materials and initiatives
- Increased emphasis on external factory sales



# Business Unit Results

## Amazing Paints

Financial Results  
For the year ended  
31 December 2005

Year Ended 30 June (\$000's)	2005	2004	Variance (%)
Revenues from ordinary activities	6906	7366	(6.3)
Pre tax Profit (Loss)	(698)	188	
Retail Sales	6083	6454	(5.8)
Factory Sales – Internal	1940	1564	24.4
Factory Sales – External	422	618	(31.7)
Stores trading @ 31 December 2004	34		
Stores trading @ 31 December 2005	35		





# Balance Sheet

**Financial Results**  
**For the year ended**  
**30 June 2005**

Year Ended 30 June (\$000's)	December 2005	June 2005
<b>ASSETS</b>		
Current Assets	15430	12 082
Non current Assets	31 896	42 003
<b>Total Assets</b>	<b>47325</b>	<b>54 085</b>
<b>LIABILITIES</b>		
Current Liabilities	15622	11 822
Non Current Liabilities	2194	2 591
<b>Total Liabilities</b>	<b>17816</b>	<b>14 413</b>
<b>NET ASSETS</b>	<b>29 509</b>	<b>39 672</b>
<b>STOCK</b>	<b>10 519</b>	<b>10 228</b>
<b>CURRENT RATIO</b>	<b>0.99</b>	<b>1.02</b>
<b>INTEREST COVER</b>	<b>2.08</b>	<b>5.52</b>

# Outlook

Financial Results  
For the Half Year ended  
31 December 2005

- Balance sheet remains strong
- Continued expansion and sales growth although retail environment weak
- The Athlete's Foot to continue growing
- KOK re-engineering will increasingly impact as year advances
- Amazing Paints still shakey
- Indications are that property market is starting to recover
- Acquisitions being researched
- Profit recovery will start next year



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# Half Year Results

Financial Results  
For the year ended  
30 June 2005

## Questions