

A1 Richmond Rd, Homebush West NSW 2140 **phone:** 02 9201 6111 **fax:** 02 9201 6250 **A.C.N.** 003 237 545

REPORTED PBT YEAR ENDED 30 JUNE 2019

NET PROFIT BEFORE TAX **\$574.56m** | **UP BY** **8.4%**

YEAR ENDED 30 JUNE 2019

Financial Highlights	Variance to PY	Year Ended 30 June 2019
Offshore company-operated Harvey Norman [®] retail sales revenue	+9.5% (comp +8.3%)	\$2.01bn
Aggregated Headline Franchisee Sales Revenue*	-1.8% (comp -0.9%)	\$5.66bn
Reported Profit Before Tax (PBT)	+8.4%	\$574.56m
Reported Profit After Tax and Non-Controlling Interests	+7.2%	\$402.32m
Net Assets	+8.8%	\$3.20bn
Earnings Per Share	+4.5%	34.70 cents
Net Debt to Equity Ratio	Improved from 25.50% in June 2018	19.46%
Final Dividend of 21.0 cents per share (FY18: 18.0 cents)	+23.5%	\$247.74m

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

Harvey Norman Holdings Limited (ASX:HAVN) announced today that net profit after tax and non-controlling interests for the year ended 30 June 2019 was \$402.32 million, up \$26.94 million, from \$375.38 million in the previous year (PY), representing a 7.2% increase.

Profit before tax was \$574.56 million, an increase of 8.4% from \$530.17 million in the previous year. This result reaffirms the benefits of Harvey Norman[®]'s diversified strategy of operating an integrated retail, franchise, property and digital enterprise as being the most robust, adaptable and flexible model to deliver stable income streams and strong returns to shareholders.

RECORD FY19 OFFSHORE RETAIL SALES REVENUE OVER **\$2.0 billion** OFFSHORE PROFIT **23%** OF TOTAL PROFIT BEFORE TAX
FIRST TIME OVER \$2bn

Outstanding Offshore Performance	Variance to PY	Year Ended 30 June 2019
Total Overseas Retail Revenue	+9.7%	\$2.05bn
Total Overseas Retail Profit Result	+11.7%	\$129.70m

The trend of strong growth and profitability in Harvey Norman[®]'s company-operated retail operations continued during the year with an 11.7% rise in offshore profitability to \$129.70 million for the current year compared to \$116.13 million in the previous year. The impressive results and solid sales performance of each of the overseas Flagship stores have pushed market share gains and an elevation of the brand name – leading to an increase in brand awareness and consumer traction to existing stores in the regions.

Harvey Norman[®] Chairman, Gerry Harvey said "Our 90 company-operated stores overseas continue to thrive and outperform in their respective markets. We've recorded both record offshore retail revenue of \$2.05 billion and record offshore retail profit of \$129.70 million. Quality performance like this further enhances our brand in these regions, and provides a solid foundation for future development in the near future".

"We intend to grow our international retail footprint and are on track with our expansion opportunities, particularly in Malaysia".

RECORD NET ASSETS EXCEED **\$3 billion**

	Variance to PY	Year Ended 30 June 2019
Net Assets	+8.8%	\$3.20bn

Harvey Norman®'s balance sheet continues to be strong, anchored by tangible property assets and a solid working capital position. The value of net assets increased 8.8% to \$3.20 billion as at 30 June 2019, from \$2.94 billion as at 30 June 2018.

The property portfolio continues its robust performance, being valued at \$2.99 billion as at 30 June 2019 and represents approximately 93% of the total net asset base. Harvey Norman® Chairman, Gerry Harvey said "Our property portfolio continues to be a driving point of difference for us, and is a real competitive advantage. It keeps us a step-ahead and provides the flexible, large footprint needed to showcase the best on offer".

"We have delivered the completion of our 8-country Flagship strategy and each Flagship has performed to expectations. For new stores and existing refits going forward, we are taking the best elements of the Flagship fitout and design to integrate into these stores. We have seen good sales uplifts in our Malaysian, Singaporean, Slovenian and Irish stores, where this has been executed. We plan to start rolling this premium format out in Australia and New Zealand, as new franchised complex and store refits are due. We are currently underway with the first premium refit in Australia at the Cairns franchised complex, and the franchised complexes located at Campbelltown, Balgowlah, Preston and Aspley will commence post-Christmas. Mt. Wellington and Hamilton in New Zealand will also commence post-Christmas."

The Board has declared the payment of a fully-franked 2019 final dividend of 21.0 cents per share, to be paid on 1 November 2019 to shareholders registered on 11 October 2019.

The details of this announcement will be made available on our website www.harveynormanholdings.com.au.

Yours faithfully,



Chris Mentis
Company Secretary