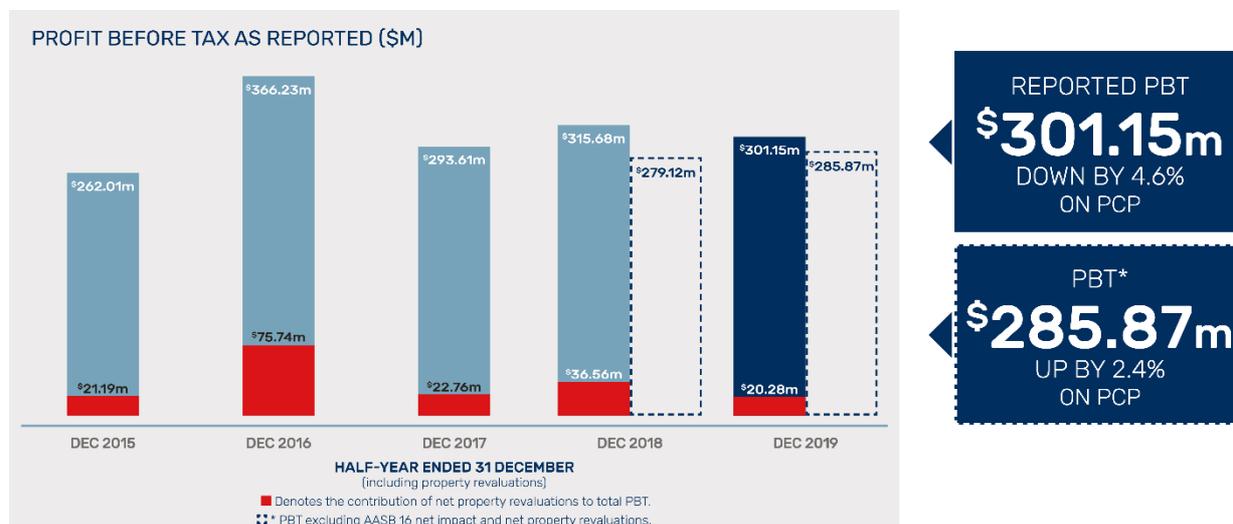


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HALF-YEAR ENDED 31 DECEMBER 2019

Financial Highlights	Variance to PCP	1HY20
Offshore company-operated Harvey Norman® retail sales revenue	+7.0% (comp +5.9%)	\$1.12bn
Aggregated Headline Franchisee Sales Revenue*	+0.11% (comp +0.03%)	\$2.95bn
Total Aggregated Company-Operated and Franchisee Sales Revenue	+1.9% (comp +1.6%)	\$4.07bn
Reported Profit Before Tax (PBT)	-4.6%	\$301.15m
PBT excluding AASB 16 Leases net impact & net property revaluations	+2.4%	\$285.87m
Reported Profit After Tax and Non-Controlling Interests (NCI)	-4.1%	\$213.59m
PAT&NCI excluding AASB 16 Leases net impact & net property revaluations	+3.0%	\$203.04m
Net Assets	+4.2%	\$3.28bn
Earnings Per Share	-7.4%	17.70c
Net Debt to Equity Ratio	Improved from 22.35% in Dec-18	16.57%
Interim Dividend of 12.0 cents per share (HY19: 12.0 cents)	-	\$149.52m

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

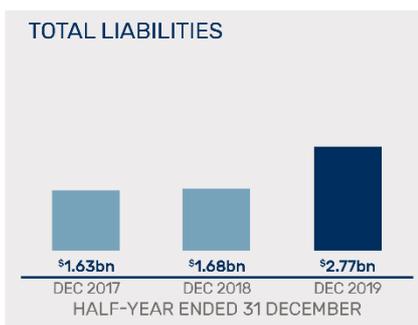
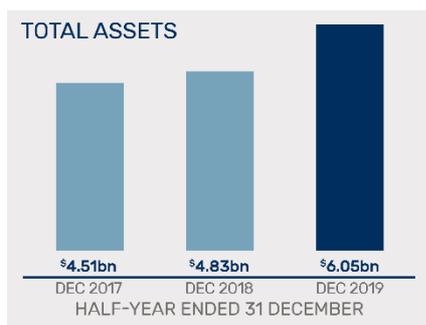
Harvey Norman Holdings Limited (ASX:HVN) announced today that net profit after tax and non-controlling interests for the half-year to 31 December 2019 was \$213.59 million, down \$9.18 million, from \$222.77 million in the previous corresponding period (PCP), representing a 4.1% decrease.

Profit before tax was \$301.15 million, a decrease of 4.6% from \$315.68 million in the PCP. This result was impacted by a decrease in the net property revaluation increment - mainly attributable to a net decrement for a residential zoned property in NSW, with no flow-on impact to the rest of the portfolio - as well as the first-time application of AASB 16 Leases, which resulted in higher expenses by \$5 million in HY20. In Australia, franchisees were also negatively impacted by the widespread bushfires and associated severe reductions in air quality that affected many communities. These impacts coincided with peak Christmas trading.

Excluding the incremental higher expenses from the first-time adoption of AASB 16 Leases and net property revaluation adjustments, profit before tax would have been \$285.87 million for HY20 compared to \$279.12 million for HY19, an increase of \$6.74 million or 2.4% from PCP.

The trend of growth and profitability in Harvey Norman's company-operated retail operations continued during the half, with a 5.4% rise in profitability offshore to \$81.69 million for the current half compared to \$77.53 million in the previous corresponding period. The application of AASB 16 Leases this half reduced offshore profitability by \$1.96 million. Excluding the incremental impact of AASB 16, the offshore profit result would have been \$83.65 million, an increase of \$6.12 million or up 7.9%. We have already delivered organic growth in Malaysia this half with the opening of 5 new stores during HY20, and are on track to open another 2 new stores in Malaysia, 2 new stores in Singapore, and a store at Galway in Ireland - all by the end of FY20.

RECORD NET ASSETS EXCEED \$3 billion



NET ASSET POSITION
DECEMBER 2019
UP **4.2%**
TO **\$3.28bn**

Harvey Norman's balance sheet continues to prove its strength, anchored by real property assets and a solid working capital position. The value of net assets increased 4.2%, to \$3.28 billion at 31 December 2019, from \$3.15 billion as at 31 December 2018.

The property portfolio continues its strong performance, being valued at \$2.97 billion at 31 December 2019 and represents over 90% of the consolidated net asset base. Harvey Norman Chairman, Gerry Harvey said, *"We make sure that our properties are maintained to a high-quality standard, synonymous with our reputable brand, and we ensure that the layout and floorspace can be quickly adapted to the changes in retail trends and consumer tastes."*

The Board has recommended the payment of a fully-franked interim dividend of 12.0 cents per share, to be paid on 4 May 2020 to shareholders registered on 3 April 2020.

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

Yours faithfully,

Chris Mentis
Company Secretary
28 February 2020