



## PRESS RELEASE

### PROFIT IMPROVEMENT AND DIVIDEND INCREASE FOR HILLS

The Chairman, Mr. Bob Ling, today announced the following operating results for the 6 months ended 31 December 2000 for the Hills group.

|   | 6 MONTHS TO<br>31/12/00<br>\$'000 | 6 MONTHS TO<br>31/12/99<br>\$'000 | % CHANGE |
|---|-----------------------------------|-----------------------------------|----------|
| Total Revenue   | 249,114                           | 214,960                           | + 15.9%  |
| Operating profit before tax   | 17,620                            | 17,202                            | + 2.5%   |
| Operating profit after tax attributable to members (before Abnormal Tax Item) | 11,370                            | 10,949                            | + 3.8%   |
| Earnings per share (before Abnormal Tax Item)                                 | 9.7 cents                         | 9.8 cents                         | - 1.0%   |
| Total dividend per share (including special dividend)                         | 12.0 cents                        | 11.6 cents                        | +3.4%    |
| Operating profit after tax attributable to members (after Abnormal Tax Item)  | 11,370                            | 8,962                             | + 26.9%  |

Mr Ling said that the 3.8% improvement in operating profit after tax attributable to shareholders of Hills was pleasing in very tough trading conditions. Mr Ling commented that trading conditions had been patchy affected by the introduction of GST, the Sydney 2000 Olympics and increased interest rates compared to the prior period.

#### ELECTRONICS

- Security Division revenues continued to grow. In particular the Division benefited from a very strong performance by our New Zealand operations. Margins were under pressure due to the declining value of the Australian dollar during the period.
- A number of new product initiatives will be launched in the next six months which should see future sales growth continue.
- Sales in the Antenna Division were flat. The Division launched its new engineered for Digital TV Antenna range during the period and continued as a supplier of satellite equipment to both Austar and Foxtel.

#### HOME & HARDWARE PRODUCTS

- The bulk of the increased sales in Home & Hardware Products resulted from the full year consolidation of the Triton business, which was acquired on October 1<sup>st</sup> 1999.
- Housing completions in Australia over the period declined and further reductions will occur.
- The lower value of the Australian dollar resulted in increased competitiveness for Australian manufactured products.
- The new Tube manufacturing facility in the United Kingdom was fully commissioned and is now operating satisfactorily.
- The first significant sales of Rotary Clothes Driers into Europe were achieved during the period. Further growth in this market is expected although this has taken longer than first anticipated.

**BUILDING & INDUSTRIAL PRODUCTS**

- The much publicized slow down in building activity saw reduced profitability from our Metal Building Products business. The business made a number of strategic advances in the half year including opening new branches in New South Wales and Victoria and implementing a number of changes to the structure of their business. This business is now well placed to operate profitably even at the lower levels of building activity foreshadowed.
- On October 1<sup>st</sup> 2000 the Hills Tubing operations were merged with Welded Tube Mills of Australia Pty Limited to form a new Tube company called Orrcon Pty Ltd. The merged entity now manufactures and distributes a full range of precision and structural tubing available from branches across Australia.
- Korvest Ltd increased sales and profitability with all Divisions performing satisfactorily.

**ABNORMAL ITEM**

Last year's results included an abnormal expense of \$1.926M as a result of the reduced company tax rate causing a reduction in future income tax benefits due to the tax rate falling from 36% down to 30%. There is no such adjustment necessary in the current period.

**DIVIDEND ANNOUNCEMENT**

Mr Ling explained that the Board has reviewed the Company's dividend policy.

The company will continue to pay all of its after tax profits to shareholders as interim and final dividends and that part of the dividend currently described as special will be absorbed into these payments. This policy will still be subject to the same conditions as previously determined as follows:

- The debt to equity ratio remaining below 45% taking into account the funding required for growth.
- No change in the law in connection with the distribution of accumulated franking credits.
- Continuing profitability at an acceptable level.

The current dividend policy will be maintained for this and the final dividend in respect of the 2001 year. As a result of this the Directors announced an increased fully franked interim dividend of 7.0 cents per share supplemented by a special dividend of 5.0 cents per share. These dividends can be taken as cash, re-invested in Hills shares at a 5% discount or received as bonus shares at a 5% discount or any combination of the above. The record date for the dividend to be paid on March 19<sup>th</sup>, is March 5<sup>th</sup>.

**FORECAST FULL YEAR RESULTS**

Mr Ling noted that there had been much recent evidence that consumer and business confidence had declined. He noted that a number of commentators were predicting lower interest rates and that activity in the building industry is likely to decline further. Notwithstanding these concerns, the business should maintain acceptable results over the full year as a result of strategic mergers in Metal Building Products, Steel Tubing and other initiatives in place.

The recent appointment of Mr Tim Payze to the position of General Manager – Business Development was further evidence of the Group's commitment to seek and grow by acquisition.

**R.D. HILL-LING AO**  
**CHAIRMAN**  
7 February 2001

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

Rules 4.1, 4.3

**Appendix 4B (rule 4.13(a))**

**Half yearly/preliminary final report**

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

HILLS INDUSTRIES LIMITED

ACN, ARBN or ARSN

Half yearly  
(tick)

Preliminary  
final (tick)

Half year/financial year ended ('current  
period')

007 573 417

✓

31 December 2000

**Equity accounted results for announcement to the market**

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

|  |    |                     |    |                             |
|--|----|---------------------|----|-----------------------------|
| Sales (or equivalent operating) revenue ( <i>item 1.1</i> )  | up | 15.8 %              | to | 247,222                     |
| Abnormal items after tax attributable to members ( <i>item 2.5</i> )   |    | Nil                 |    |                             |
| +Operating profit after tax (before amortisation of goodwill) attributable to members ( <i>item 1.26</i> )   | up | 18.5 %              | to | 11,616                      |
| +Operating profit after tax attributable to members ( <i>item 1.10</i> )   | up | 26.9 %              | to | 11,370                      |
| Extraordinary items after tax attributable to members ( <i>item 1.13</i> )   |    | Nil                 |    |                             |
| +Operating profit and extraordinary items after tax attributable to members ( <i>item 1.16</i> )   | up | 26.9 %              | to | 11,370                      |
| <b>Dividends (distributions)</b>   |    | Amount per security |    | Franked amount per security |
| <b>Current Half Year</b>   |    |                     |    |                             |
| Interim dividend   |    | 7.0 ¢               |    | 7.0 ¢                       |
| Special dividend   |    | 5.0 ¢               |    | 5.0 ¢                       |
| <b>Previous Half Year</b>  |    |                     |    |                             |
| Interim dividend   |    | 6.6 ¢               |    | 6.6 ¢                       |
| Special dividend   |    | 5.0 ¢               |    | 5.0 ¢                       |
| +Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )   |    | 5 March 2001        |    |                             |
| Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market: |    |                     |    |                             |

+ See chapter 19 for defined terms.

**Consolidated profit and loss account**

|   | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|---|--------------------------|---|
| 1.1 Sales (or equivalent operating) revenue   | 247,222                  | 213,523                                 |
| 1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)   | -                        | -                                       |
| 1.3 Other revenue   | 1,892                    | 1,437                                   |
| <b>1.4 +Operating profit (loss) before abnormal items and tax</b>   | <b>17,620</b>            | <b>17,202</b>                           |
| 1.5 Abnormal items before tax (detail in item 2.4)  | -                        | -                                       |
| 1.6 +Operating profit (loss) before tax (items 1.4 + 1.5)   | 17,620                   | 17,202                                  |
| 1.7 Less tax  | 5,641                    | 7,919                                   |
| 1.8 +Operating profit (loss) after tax but before outside +equity interests   | 11,979                   | 9,283                                   |
| 1.9 Less outside +equity interests  | 609                      | 321                                     |
| <b>1.10 +Operating profit (loss) after tax attributable to members</b>  | <b>11,370</b>            | <b>8,962</b>                            |
| 1.11 Extraordinary items after tax (detail in item 2.6)   | -                        | -                                       |
| 1.12 Less outside +equity interests   | -                        | -                                       |
| 1.13 Extraordinary items after tax attributable to members  | -                        | -                                       |
| <b>1.14 Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)</b>   | <b>11,979</b>            | <b>9,283</b>                            |
| 1.15 +Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)  | 609                      | 321                                     |
| <b>1.16 +Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)</b>  | <b>11,370</b>            | <b>8,962</b>                            |
| 1.17 Retained profits (accumulated losses) at beginning of financial period   | 63,068                   | 62,094                                  |
| 1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description) | -                        | -                                       |
| 1.19 Aggregate of amounts transferred from reserves   | -                        | -                                       |
| 1.20 Total available for appropriation ( <i>carried forward</i> )   | 74,438                   | 71,056                                  |

+ See chapter 19 for defined terms.

**Consolidated profit and loss account continued**

|      |   |               |               |
|------|---|---------------|---------------|
| 1.20 | Total available for appropriation ( <i>brought forward</i> )            | 74,438        | 71,056        |
| 1.21 | Dividends provided for or paid  | 12,513        | 11,742        |
| 1.22 | Aggregate of amounts transferred to reserves                            | -             | -             |
| 1.23 | <b>Retained profits (accumulated losses) at end of financial period</b> | <b>61,925</b> | <b>59,314</b> |

| <b>Profit restated to exclude amortisation of goodwill</b> |   | Current period<br>\$A'000 | Previous corresponding<br>period<br>\$A'000 |
|--|---|---------------------------|---|
| 1.24   | +Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill | 12,225                    | 10,120                                      |
| 1.25   | Less (plus) outside +equity interests   | 609                       | 321   |
| 1.26   | +Operating profit (loss) after tax (before amortisation of goodwill) attributable to members                | 11,616                    | 9,799                                       |

| <b>Intangible, abnormal and extraordinary items</b> | <i>Consolidated - current period</i>     |                        |   |   |
|---|--|------------------------|---|---|
|   | Before tax<br>\$A'000                    | Related tax<br>\$A'000 | Related outside<br>+equity interests<br>\$A'000 | Amount (after<br>tax) attributable<br>to members<br>\$A'000 |
| 2.1   | Amortisation of goodwill                 | 25                     | -   | 25  |
| 2.2   | Amortisation of other intangibles        | 335                    | 114   | 221   |
| 2.3   | <b>Total amortisation of intangibles</b> | <b>360</b>             | <b>114</b>                                      | <b>246</b>  |
| 2.4   | Abnormal items                           |                        |   |   |
| 2.5   | <b>Total abnormal items</b>              | -                      | -   | -   |
| 2.6   | Extraordinary items                      |                        |   |   |
| 2.7   | <b>Total extraordinary items</b>         | -                      | -   | -   |

| <b>Comparison of half year profits</b><br><i>(Preliminary final report only)</i> |  | Current year - \$A'000 | Previous year - \$A'000 |
|--|--|------------------------|-------------------------|
| 3.1  | Consolidated +operating profit (loss) after tax attributable to members reported for the <i>1<sup>st</sup></i> half year (item 1.10 in the half yearly report) | N/A                    | N/A                     |
| 3.2  | Consolidated +operating profit (loss) after tax attributable to members for the <i>2<sup>nd</sup></i> half year  |                        |                         |

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

| <b>Consolidated balance sheet</b><br><i>(See note 5)</i> |  | At end of current<br>period \$A'000 | As shown in last<br>annual report<br>\$A'000 | As in last half<br>yearly report<br>\$A'000 |
|--|--|-------------------------------------|--|---|
| <b>Current assets</b>                                    |  |                                     |  |   |
| 4.1  | Cash   | 17,907                              | 7,315  | 6,322                                       |
| 4.2  | Receivables  | 88,527                              | 81,439                                       | 72,649                                      |
| 4.3  | Investments  | -                                   | -  | -   |
| 4.4  | Inventories  | 68,485                              | 56,876                                       | 42,908                                      |
| 4.5  | Other (provide details if material)  | -                                   | -  | -   |
| 4.6  | <b>Total current assets</b>  | <b>174,919</b>                      | <b>145,630</b>                               | <b>121,879</b>                              |
| <b>Non-current assets</b>                                |  |                                     |  |   |
| 4.7  | Receivables  | -                                   | -  | -   |
| 4.8  | Investments in associates  | -                                   | -  | -   |
| 4.9  | Other investments  | 1,205                               | 1,375  | 1,375                                       |
| 4.10   | Inventories  | -                                   | -  | -   |
| 4.11   | Exploration and evaluation expenditure capitalised (see para .71 of <i>AASB 1022</i> ) | -                                   | -  | -   |
| 4.12   | Development properties (+mining entities)  | -                                   | -  | -   |
| 4.13   | Other property, plant and equipment (net)  | 109,011                             | 91,314                                       | 88,807                                      |
| 4.14   | Intangibles (net)  | 6,369                               | 6,560  | 8,263                                       |
| 4.15   | Other (provide details if material)  | 15,003                              | 14,632                                       | 12,953                                      |
| 4.16   | <b>Total non-current assets</b>  | <b>131,588</b>                      | <b>113,881</b>                               | <b>111,398</b>                              |
| 4.17   | <b>Total assets</b>  | <b>306,507</b>                      | <b>259,511</b>                               | <b>233,277</b>                              |
| <b>Current liabilities</b>                               |  |                                     |  |   |
| 4.18   | Accounts payable   | 67,591                              | 60,659                                       | 45,697                                      |
| 4.19   | Borrowings   | 16,219                              | 4,725  | 9,095                                       |
| 4.20   | Provisions   | 38,133                              | 36,449                                       | 36,498                                      |
| 4.21   | Other (provide details if material)  | -                                   | -  | -   |
| 4.22   | <b>Total current liabilities</b>   | <b>121,943</b>                      | <b>101,883</b>                               | <b>91,290</b>                               |
| <b>Non-current liabilities</b>                           |  |                                     |  |   |
| 4.23   | Accounts payable   | -                                   | -  | -   |
| 4.24   | Borrowings   | 46,179                              | 32,313                                       | 27,544                                      |
| 4.25   | Provisions   | 7,233                               | 7,025  | 6,883                                       |
| 4.26   | Other (provide details if material)  | -                                   | -  | -   |
| 4.27   | <b>Total non-current liabilities</b>   | <b>53,412</b>                       | <b>39,338</b>                                | <b>34,427</b>                               |
| 4.28   | <b>Total liabilities</b>   | <b>175,355</b>                      | <b>141,171</b>                               | <b>125,717</b>                              |
| 4.29   | <b>Net assets</b>  | <b>131,152</b>                      | <b>118,340</b>                               | <b>107,560</b>                              |

+ See chapter 19 for defined terms.

**Consolidated balance sheet continued**

| <b>Equity</b> |   |                |                |                |
|---------------|---|----------------|----------------|----------------|
| 4.30          | Capital   | 29,206         | 27,055         | 23,098         |
| 4.31          | Reserves  | 24,672         | 23,484         | 21,238         |
| 4.32          | Retained profits (accumulated losses)               | 61,925         | 63,068         | 59,314         |
| 4.33          | Equity attributable to members of the parent entity | 115,803        | 113,607        | 103,650        |
| 4.34          | Outside +equity interests in controlled entities    | 15,349         | 4,733          | 3,910          |
| 4.35          | <b>Total equity</b>                                 | <b>131,152</b> | <b>118,340</b> | <b>107,560</b> |
| 4.36          | Preference capital included as part of 4.33         | N/A            | N/A            | N/A            |

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

|     | Current period<br>\$A'000   | Previous corresponding<br>period - \$A'000 |
|-----|---|--|
| 5.1 | Opening balance   |  |
| 5.2 | Expenditure incurred during current period                                    |  |
| 5.3 | Expenditure written off during current period                                 | N/A  |
| 5.4 | Acquisitions, disposals, revaluation increments, etc.                         |  |
| 5.5 | Expenditure transferred to Development Properties                             |  |
| 5.6 | <b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b> |  |

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

|     | Current period \$A'000  | Previous corresponding<br>period - \$A'000 |
|-----|---|--|
| 6.1 | Opening balance   |  |
| 6.2 | Expenditure incurred during current period                                    |  |
| 6.3 | Expenditure transferred from exploration and evaluation                       |  |
| 6.4 | Expenditure written off during current period                                 | N/A  |
| 6.5 | Acquisitions, disposals, revaluation increments, etc.                         |  |
| 6.6 | Expenditure transferred to mine properties                                    |  |
| 6.7 | <b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b> |  |

+ See chapter 19 for defined terms.

**Consolidated statement of cash flows**

(See note 6)

|   |  | Current period \$A'000 | Previous corresponding period - \$A'000 |
|---|--|------------------------|---|
| <b>Cash flows related to operating activities</b> |  |                        |   |
| 7.1   | Receipts from customers                                      | 249,151                | 203,511                                 |
| 7.2   | Payments to suppliers and employees                          | (230,577)              | (180,055)                               |
| 7.3   | Dividends received from associates                           | -                      | -                                       |
| 7.4   | Other dividends received                                     | -                      | -                                       |
| 7.5   | Interest and other items of similar nature received          | 142                    | 28                                      |
| 7.6   | Interest and other costs of finance paid                     | (1,634)                | (901)                                   |
| 7.7   | Income taxes paid  | (10,182)               | (7,640)                                 |
| 7.8   | Other (provide details if material)                          | -                      | -                                       |
| 7.9   | <b>Net operating cash flows</b>                              | <b>6,900</b>           | <b>14,943</b>                           |
| <b>Cash flows related to investing activities</b> |  |                        |   |
| 7.10  | Payment for purchases of property, plant and equipment       | (8,266)                | (6,445)                                 |
| 7.11  | Proceeds from sale of property, plant and equipment          | 135                    | 216                                     |
| 7.12  | Payment for purchases of equity investments                  | (380)                  | (250)                                   |
| 7.13  | Proceeds from sale of equity investments                     | 481                    | 86                                      |
| 7.14  | Loans to other entities                                      | 463                    | -                                       |
| 7.15  | Loans repaid by other entities                               | -                      | -                                       |
|   | Payment for intangibles                                      | (169)                  | (6,850)                                 |
|   | Payment for purchase of business                             | (1,661)                | (4,261)                                 |
| 7.16  | Other (provide details if material)                          | 684                    | 68                                      |
| 7.17  | <b>Net investing cash flows</b>                              | <b>(8,713)</b>         | <b>(17,436)</b>                         |
| <b>Cash flows related to financing activities</b> |  |                        |   |
| 7.18  | Proceeds from issues of +securities - dividend reinvestment  | 2,151                  | 2,076                                   |
| 7.19  | Proceeds from borrowings                                     | 17,337                 | 10,341                                  |
| 7.20  | Repayment of borrowings                                      | -                      | -                                       |
| 7.21  | Dividends paid   | (7,119)                | (6,001)                                 |
| 7.22  | Other (provide details if material)                          | 12                     | -                                       |
| 7.23  | <b>Net financing cash flows</b>                              | <b>12,381</b>          | <b>(6,416)</b>                          |
| 7.24  | <b>Net increase (decrease) in cash held</b>                  | <b>10,568</b>          | <b>3,923</b>                            |
| 7.25  | Cash at beginning of period<br>(see Reconciliation of cash)  | 7,315                  | 2,533                                   |
| 7.26  | Exchange rate adjustments to item 7.25                       | 25                     | (315)                                   |
| 7.27  | <b>Cash at end of period</b><br>(see Reconciliation of cash) | <b>17,907</b>          | <b>6,141</b>                            |

+ See chapter 19 for defined terms.



### Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

|     |
|-----|
| N/A |
|-----|

### Reconciliation of cash

| Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current period<br>\$A'000 | Previous<br>corresponding<br>period - \$A'000 |
|--|---------------------------|---|
| 8.1 Cash on hand and at bank   | 17,907                    | 6,322   |
| 8.2 Deposits at call   | -                         | -   |
| 8.3 Bank overdraft   | -                         | (181)   |
| 8.4 Other (provide details)  | -                         | -   |
| <b>8.5 Total cash at end of period (item 7.26)</b>   | <b>17,907</b>             | <b>6,141</b>                                  |

### Ratios

|  | Current period | Previous corresponding<br>period |
|--|----------------|----------------------------------|
| <b>9.1 Profit before abnormals and tax / sales</b><br>Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)   | 7.1%           | 8.1%                             |
| <b>9.2 Profit after tax / +equity interests</b><br>Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33) | 9.8%           | 8.6%                             |

### Earnings per security (EPS)

|   | Current period | Previous corresponding<br>period |
|---|----------------|----------------------------------|
| 10.1 Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>                             |                |                                  |
| (a) Basic EPS   | 9.7 cents      | 8.0 cents                        |
| (b) Diluted EPS (if materially different from (a))  | N/A            | N/A                              |
| (c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS | 117,391,000    | 112,204,957                      |

+ See chapter 19 for defined terms.

Appendix 4B (rule 4.13(a))  
Half yearly/preliminary final report

| <b>NTA backing</b><br><i>(see note 7)</i>              | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| 11.1 Net tangible asset backing per +ordinary security | 93 cents       | 84 cents                      |

**Details of specific receipts/outlays, revenues/ expenses**

|  | Current period<br>\$A'000 | Previous corresponding period - \$A'000 |
|--|---------------------------|---|
| 12.1 Interest revenue included in determining item 1.4   | 142                       | 28                                      |
| 12.2 Interest revenue included in item 12.1 but not yet received (if material)   | -                         | -                                       |
| 12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)                    | 1,634                     | 901                                     |
| 12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)                                  | -                         | -                                       |
| 12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material) | -                         | -                                       |
| 12.6 Depreciation and amortisation (excluding amortisation of intangibles)   | 4,442                     | 4,390                                   |

**Control gained over entities having material effect**

*(See note 8)*

|   |     |
|---|-----|
| 13.1 Name of entity (or group of entities)  | N/A |
| 13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired | \$  |
| 13.3 Date from which such profit has been calculated  |     |
| 13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period                               | \$  |

+ See chapter 19 for defined terms.

### Loss of control of entities having material effect

(See note 8)

|      |   |     |
|------|---|-----|
| 14.1 | Name of entity (or group of entities)   | N/A |
| 14.2 | Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control                  | \$  |
| 14.3 | Date to which the profit (loss) in item 14.2 has been calculated  |     |
| 14.4 | Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period | \$  |
| 14.5 | Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control  | \$  |

### Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.

#### Segments

| Segment  | Total Assets   |                | Total Revenue  |                | Consolidated Profit Before Interest & Tax |               |
|--|----------------|----------------|----------------|----------------|---|---------------|
|  | 31.12.00       | 31.12.99       | 31.12.00       | 31.12.99       | 31.12.00                                  | 31.12.99      |
|  | \$'000         | \$'000         | \$'000         | \$'000         | \$'000                                    | \$'000        |
| Home & Hardware Products                       | 63,661         | 57,288         | 75,087         | 68,689         | 6,772                                     | 5,148         |
| Building & Industrial Products                 | 92,527         | 53,122         | 100,030        | 83,147         | 4,854                                     | 6,080         |
| Electronics                                    | 52,015         | 44,808         | 72,471         | 62,255         | 7,264                                     | 7,061         |
| Other  | 98,304         | 78,059         | 1,526          | 869            | 222                                       | (215)         |
| <b>Total segment assets</b>                    | <b>306,507</b> | <b>233,277</b> |                |                |   |               |
| <b>Total revenue</b>                           |                |                | <b>249,114</b> | <b>214,960</b> |   |               |
| <b>Consolidated profit before interest and</b> |                |                |                |                | <b>19,112</b>                             | <b>18,074</b> |
| Interest                                       |                |                |                |                | <b>1,492</b>                              | <b>872</b>    |
| Earnings before tax                            |                |                |                |                | <b>17,620</b>                             | <b>17,202</b> |
| Income tax attributable to operating profit    |                |                |                |                | <b>5,641</b>                              | <b>7,919</b>  |
| <b>Operating profit after tax</b>              |                |                |                |                | <b>11,979</b>                             | <b>9,283</b>  |
| Geographic Segment                             | Total Assets   |                | Total Revenue  |                | Consolidated Profit After Tax             |               |
|  | 31.12.00       | 31.12.99       | 31.12.00       | 31.12.99       | 31.12.00                                  | 31.12.99      |
|  | \$'000         | \$'000         | \$'000         | \$'000         | \$'000                                    | \$'000        |
| Australia                                      | 273,123        | 205,205        | 227,148        | 196,302        | 11,864                                    | 9,426         |
| Overseas                                       | 33,384         | 28,072         | 21,966         | 18,658         | 115                                       | (143)         |
| <b>Total</b>                                   | <b>306,507</b> | <b>233,277</b> | <b>249,114</b> | <b>214,960</b> | <b>11,979</b>                             | <b>9,283</b>  |

### Dividends (in the case of a trust, distributions)

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+ See chapter 19 for defined terms.

Appendix 4B (rule 4.13(a))  
Half yearly/preliminary final report

|      |   |  |
|------|---|--|
| 15.1 | Date the dividend (distribution) is payable   | Interim 19 March 2001<br>Special 19 March 2001 |
| 15.2 | +Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved) | Interim 5 March 2001<br>Special 5 March 2001   |
| 15.3 | If it is a final dividend, has it been declared?<br><i>(Preliminary final report only)</i>  | N/A  |

**Amount per security**

|      |  | Amount per security | Franked amount per security | Amount per security of foreign source dividend |
|------|--|---------------------|-----------------------------|--|
| 15.4 | <i>(Preliminary final report only)</i><br><b>Final dividend:</b> Current year  | N/A ¢               | N/A ¢                       | N/A ¢  |
| 15.5 | Previous year  | ¢                   | ¢                           | ¢  |
| 15.6 | <i>(Half yearly and preliminary final reports)</i><br><b>Interim dividend:</b> Current year<br><b>Special dividend:</b> Current year | 7.0 ¢<br>5.0 ¢      | 7.0 ¢<br>5.0 ¢              | - ¢<br>- ¢                                     |
| 15.7 | <b>Interim dividend:</b> Previous year<br><b>Special dividend:</b> Previous year   | 6.6 ¢<br>5.0 ¢      | 6.6 ¢<br>5.0 ¢              | - ¢<br>- ¢                                     |

**Total dividend (distribution) per security (interim *plus* final)**

*(Preliminary final report only)*

|      | Current year                  | Previous year |
|------|-------------------------------|---------------|
| 15.8 | +Ordinary securities<br>N/A ¢ | N/A ¢         |
| 15.9 | Preference +securities<br>¢   | ¢             |

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+ See chapter 19 for defined terms.

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

|                              | Current period<br>\$A'000 | Previous corresponding<br>period - \$A'000 |
|------------------------------|---------------------------|--|
| 15.10 +Ordinary securities   | 14,200                    | 13,126                                     |
| 15.11 Preference +securities | -                         | -  |
| 15.12 <b>Total</b>           | <b>14,200</b>             | <b>13,126</b>                              |

The +dividend or distribution plans shown below are in operation.

The Dividend Investment Plan and Share investment plan will operate.  
A discount of 5% will apply under the Rules of the Plans.

The last date(s) for receipt of election notices for the +dividend or  
distribution plans

5 March 2001

Any other disclosures in relation to dividends (distributions)

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+ See chapter 19 for defined terms.

**Details of aggregate share of profits (losses) of associates**

| Entity's share of associates'                  | Current period<br>\$A'000 | Previous corresponding<br>period<br>- \$A'000 |
|--|---------------------------|---|
| 16.1 Operating profit (loss) before income tax | N/A                       | N/A   |
| 16.2 Income tax expense                        |                           |   |
| 16.3 Operating profit (loss) after income tax  |                           |   |
| 16.4 Extraordinary items net of tax            |                           |   |
| 16.5 Net profit (loss)                         |                           |   |
| 16.6 Outside equity interests                  |                           |   |
| 16.7 Net profit (loss) attributable to members |                           |   |

**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

| <i>Name of entity</i>                   | Percentage of ownership interest held at end of period or date of disposal |                               | Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14) |  |
|---|--|-------------------------------|--|--|
|   | Current period   | Previous corresponding period | Current period - \$A'000   | Previous corresponding period- \$A'000 |
| 17.1 <b>Equity accounted associates</b> | N/A  |                               |  |  |
| 17.2 Total                              |  |                               |  |  |
| 17.3 <b>Other material interests</b>    | N/A  |                               |  |  |
| 17.4 Total                              |  |                               |  |  |

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

**Issued and quoted securities at end of current period**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

| Category of +securities   | Total number | Number quoted | Issue price per security (see note 15) (cents) | Amount paid up per security (see note 15) (cents) |
|---|--------------|---------------|--|---|
| 18.1 <b>Preference +securities</b><br><i>(description)</i>  |              |               |  |   |
| 18.2 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buybacks, redemptions |              |               |  |   |
| 18.3 <b>+Ordinary securities</b>  | 118,265,879  | 118,265,879   | -  | -   |
| 18.4 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buybacks              | 1,962,006    | 1,962,006     |  |   |
| 18.5 <b>+Convertible debt securities</b><br><i>(description and conversion factor)</i>  |              |               |  |   |
| 18.6 Changes during current period<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted             |              |               |  |   |
| 18.7 <b>Options</b> <i>(description and conversion factor)</i>  | 172,500      |               | <i>Exercise price</i><br><b>\$2.35</b>         | <i>Expiry date (if any)</i><br>31/12/01           |
| 18.8 Issued during current period   | 172,500      |               | \$2.35   | 31/12/01  |
| 18.9 Exercised during current period  | Nil          |               |  |   |
| 18.10 Expired during current period   | 137,500      |               | \$2.13   | 31/12/00  |
| 18.11 <b>Debentures</b> <i>(totals only)</i>  |              |               |  |   |
| 18.12 <b>Unsecured notes</b> <i>(totals only)</i>   |              |               |  |   |

+ See chapter 19 for defined terms.

### Comments by directors

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

### Basis of accounts preparation

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last<sup>+</sup> annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer Attached

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Refer Attached

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

The directors expect that dividends will be fully franked for the foreseeable future.  
Franking credits available at 31 December 2000 are \$59,800,000.

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

None

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+ See chapter 19 for defined terms.



**Additional disclosure for trusts**

19.1 Number of units held by the management company or responsible entity or their related parties.

|     |
|-----|
| N/A |
|-----|

19.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

|  |
|--|
|  |
|--|

**Annual meeting**

*(Preliminary final report only)*

The annual meeting will be held as follows:

|   |     |
|---|-----|
| Place   | N/A |
| Date  |     |
| Time  |     |
| Approximate date the +annual report will be available |     |

**Compliance statement**

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 13).

Identify other standards used

|     |
|-----|
| N/A |
|-----|

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

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+ See chapter 19 for defined terms.

4 This report is based on +accounts to which one of the following applies.

*(Tick one)*

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* *(delete one)*. *(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.)*

6 The entity has/~~does not have~~\* *(delete one)* a formally constituted audit committee.

Sign here: ..... Date: 7 February 2001  
(Director/Company secretary)

Print name: GRAHAM TWARTZ

### Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
  - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
  - Item 1.2 'Share of associates' "net profit (loss) attributable to members" would form part of "other revenue" in *AASB 1004*

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+ See chapter 19 for defined terms.

- to the extent that a profit is to be reported. ASX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.
- Item 1.4 “+operating profit (loss) before abnormal items and tax” is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

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+ See chapter 19 for defined terms.

Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc.*

6. **Statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

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+ See chapter 19 for defined terms.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

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10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating "Operating profit (loss) after tax attributable to members" (item 1.10) and "Investments in associates" (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the "For announcement to the market" section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.
12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Law must also be given to ASX. For example, a directors' report and statement, if lodged with the +ASIC, must be given to ASX.
13. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
15. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

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+ See chapter 19 for defined terms.