

**Hills Industries Limited**  
**Analysis of Key Financial Indicators**

<b><u>Earnings</u></b>	<b>FY 05</b>					
	<b>FY02 (\$000)</b>	<b>FY03 (\$000)</b>	<b>FY04 (\$000)</b>	<b>FY05 (\$000)</b>	<b>H1 (\$000)</b>	<b>H2 (\$000)</b>
<b>Sales</b>	580,253	660,600	713,643	810,156	404,392	405,764
<b>Other Revenue</b>	5,055	8,810	5,023	7,628	5,301	2,327
<b>Total Revenue</b>	585,308	669,410	718,666	817,784	409,693	408,091
<b>EBITDA</b>	57,226	69,078	77,903	84,880	42,820	42,060
<b>Depreciation</b>	12,601	15,840	17,427	18,763	9,396	9,367
<b>EBITA</b>	44,625	53,238	60,476	66,117	33,424	32,693
<b>Amortisation</b>	1,126	2,202	2,296	2,141	995	1,146
<b>EBIT</b>	43,499	51,036	58,180	63,976	32,429	31,547
<b>Interest</b>	4,291	4,348	4,539	3,308	1,957	1,351
<b>Profit before Tax</b>	39,208	46,688	53,641	60,668	30,472	30,196
<b>Income Tax</b>	12,775	14,700	15,409	18,209	9,140	9,069
<b>Profit after Tax</b>	26,433	31,988	38,232	42,459	21,332	21,127
<b>Minority Interests</b>	2,569	4,673	6,972	6,246	3,764	2,482
<b>Attributable Profit</b>	23,864	27,315	31,260	36,213	17,568	18,645
<b>Earnings Per Share (cents)</b>	19.4	20.8	22.6	23.5	12.4	11.1
<b>Dividends Per Share (cents)</b>	20.0	21.0	22.5	24.0	12.0	12.0
<b>Dividend Yield (%)</b>	6.0%	6.0%	5.8%	5.3%	n/a	n/a
<b>Franking (%)</b>	100%	100%	100%	100%	100%	100%
<b>Cash Flow from Operations</b>	30,831	47,656	36,803	32,594	14,473	18,121
<b>Cash Flow Per Share (cents)</b>	24.95	36.15	26.63	21.15	9.39	11.76
<b>Capital Expenditure</b>	27,585	30,469	23,432	20,514	11,570	8,944
<b>Excluding Individually Significant Items</b>						

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<b>Segment Earnings</b>	<b>FY 05</b>					
	<b>FY02 (\$000)</b>	<b>FY03 (\$000)</b>	<b>FY04 (\$000)</b>	<b>FY05 (\$000)</b>	<b>H1 (\$000)</b>	<b>H2 (\$000)</b>
<b><u>Electronic Security &amp; Entertainment:</u></b>						
Revenue	165,412	163,572	170,262	206,311	98,169	108,142
EBITDA	17,346	17,676	21,986	28,064	12,845	15,219
Depreciation & Amortisation	2,077	3,066	3,368	4,520	1,862	2,658
EBIT	15,269	14,610	18,618	23,544	10,983	12,561
EBIT/Revenue	9.2%	8.9%	10.9%	11.4%	11.2%	11.6%
<b><u>Home &amp; Hardware:</u></b>						
Revenue	151,812	167,335	161,774	164,928	89,435	75,493
EBITDA	18,677	20,223	21,389	17,832	10,960	6,872
Depreciation & Amortisation	5,254	6,661	7,997	8,272	4,664	3,608
EBIT	13,423	13,562	13,392	9,560	6,296	3,264
EBIT/Revenue	8.8%	8.1%	8.3%	5.8%	7.0%	4.3%
<b><u>Building &amp; Industrial:</u></b>						
Revenue	263,436	331,902	378,763	440,358	219,888	220,470
EBITDA	17,940	28,313	31,883	38,124	18,852	19,272
Depreciation & Amortisation	4,608	6,659	6,602	7,096	3,354	3,742
EBIT	13,332	21,654	25,281	31,028	15,498	15,530
EBIT/Revenue	5.1%	6.5%	6.7%	7.0%	7.0%	7.0%
<b>Excluding Individually Significant Items</b>						

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<b><u>Segment - Ratios</u></b>	<b>FY 05</b>					
	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>H1</b>	<b>H2</b>
<b><u>EBIT/Revenue</u></b>						
Electronic Security & Entertainment	9.2%	8.9%	10.9%	11.4%	11.2%	11.6%
Home & Hardware	8.8%	8.1%	8.3%	5.8%	7.0%	4.3%
Building & Industrial	5.1%	6.5%	6.7%	7.0%	7.0%	7.0%
<b><u>EBIT/Total Assets</u></b>						
Electronic Security & Entertainment	20.9%	20.5%	24.9%	21.3%		
Home & Hardware	14.3%	12.7%	12.5%	9.1%		
Building & Industrial	10.0%	12.7%	14.0%	13.4%		
<b><u>EBIT/Net Assets</u></b>						
Electronic Security & Entertainment	27.4%	26.3%	30.7%	29.2%		
Home & Hardware	17.6%	15.2%	14.6%	12.1%		
Building & Industrial	13.0%	17.0%	18.4%	19.1%		
<b>Excluding Individually Significant Items</b>						

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<b>Segment Analysis</b>	<b>FY 05</b>					
	<b>FY02 (\$000)</b>	<b>FY03 (\$000)</b>	<b>FY04 (\$000)</b>	<b>FY05 (\$000)</b>	<b>H1 (\$000)</b>	<b>H2 (\$000)</b>
<b>Revenue</b>						
Electronic Security & Entertainment	165,412	163,572	170,262	206,311	98,169	108,142
Home & Hardware	151,812	167,335	161,774	164,928	89,435	75,493
Building & Industrial	263,436	331,902	378,763	440,358	219,888	220,470
Other	4,648	6,601	7,867	6,187	2,201	3,986
<b>Total Revenue</b>	<b>585,308</b>	<b>669,410</b>	<b>718,666</b>	<b>817,784</b>	<b>409,693</b>	<b>408,091</b>
<b>EBIT</b>						
Electronic Security & Entertainment	15,269	14,610	18,618	23,544	10,983	12,561
Home & Hardware	13,423	13,562	13,392	9,560	6,296	3,264
Building & Industrial	13,332	21,654	25,281	31,028	15,498	15,530
Other	1,475	1,210	889	(156)	(348)	192
<b>Total EBIT</b>	<b>43,499</b>	<b>51,036</b>	<b>58,180</b>	<b>63,976</b>	<b>32,429</b>	<b>31,547</b>
<b>Assets</b>						
Electronic Security & Entertainment	73,211	71,440	74,645	110,390		
Home & Hardware	93,882	107,003	107,464	105,522		
Building & Industrial	133,752	170,213	180,191	232,168		
Other	41,722	33,232	66,783	134,385		
<b>Total Assets</b>	<b>342,567</b>	<b>381,888</b>	<b>429,083</b>	<b>582,465</b>		
<b>Liabilities</b>						
Electronic Security & Entertainment	17,543	15,811	14,095	29,670		
Home & Hardware	17,718	17,778	15,966	26,268		
Building & Industrial	31,487	42,628	42,636	70,131		
Other	120,263	99,558	122,053	144,006		
<b>Total Liabilities</b>	<b>187,011</b>	<b>175,775</b>	<b>194,750</b>	<b>270,075</b>		
<b>Net Assets Employed</b>						
Electronic Security & Entertainment	55,668	55,629	60,550	80,720		
Home & Hardware	76,164	89,225	91,498	79,254		
Building & Industrial	102,265	127,585	137,555	162,037		
Other	(78,541)	(66,326)	(55,270)	(9,621)		
<b>Total Net Assets Employed</b>	<b>155,556</b>	<b>206,113</b>	<b>234,333</b>	<b>312,390</b>		
<b>Excluding Individually Significant Items</b>						