

DANKS HOLDINGS LIMITED

ACN 004 295 532

414 Lower Dandenong Road Braeside Victoria 3195

Post Office Box 156 Mordialloc Victoria 3195 Australia Telephone 61 3 9264 5000 Facsimile 61 3 9587 1719

Internet www.danks.com.au

Media Release February 24, 2005

Danks exclusive brands help independents stay competitive

The directors of Danks Holdings Limited – one of Australia's largest suppliers of hardware and garden products – today announced revenue growth of 4.2% for the half-year ended December 31, 2004.

Revenue was up \$11.9 million over the corresponding period to \$298 million. This was due, in part, to rising sales of Danks exclusive branded products to independently owned stores in its retail groups – HoME Timber & Hardware, Thrifty-Link Hardware and Plants Plus Garden Centres.

"Danks exclusive branded products have enabled our independent retailers to remain competitive by driving sales, delivering higher margins and improving profitability," Managing Director Graeme Danks said.

Sales of these products across the homewares, garden, hand tool and plumbing categories are expected to increase to 20% of all warehouse sales, by the end of this financial year. This will be boosted with the release next month of the new WORX range of high performance power tools.

Store redevelopments were ongoing during this period with 22 hardware retailers either building or refurbishing stores with wider aisles, taller fixtures, large gondola ends, and balanced ranging in a supermarket-efficient layout. Another 52 retailers are in various stages of upgrading their stores and more are expected to follow next financial year.

"Our group members are embracing the concept of store upgrades with great enthusiasm and those who have implemented improvements have experienced instant success," Mr Danks said.

Strong promotional campaigns helped raise brand awareness of the retail groups and pushed overall product sales up 5.8% ahead of last year. The rate of growth in sales, however, is slightly down on the same period and reflects a slowing of consumer spending and an easing of the home renovation market, Mr Danks said.

Danks net profit after tax was \$3.7 million. Although down on last year's result, which included a one-off tax free profit of \$1.8 million from the sale of a property at Mitcham (Victoria), like-for-like normal trading figures showed a healthy increase in profit after tax.

The Directors have declared a fully franked interim dividend of 25 cents per share which is payable on April 8, 2005.



Results summary for the six months to December 2004

	2004	2003
Total Revenue \$m	298.0 m	286.1 m
Pre-Tax Profit \$m	5.40 m	6.30 m
Net Profit \$m	3.73 m	4.84 m
EPS	57.4 c	74.4 c
Interim Dividend	25.0 c	25.0 c

For further Information:

Graeme Danks

Managing Director

03 9264 5007

Danks commenced trading as John Danks & Son Pty Ltd in 1859 and currently operates six hardware Distribution Centres, at Braeside in Melbourne, which services the South Australian, Northern Territory, Victorian and Tasmanian markets, at Huntingwood and Wetherill Park in Sydney which services the Queensland and New South Wales markets, and also at Kewdale and Welshpool in Western Australia.

Danks services the product and marketing requirements of HoME Timber & Hardware, Thrifty-Link Hardware and Plants Plus Garden Centres, a total of more than 700 members, who are all independently owned and operated, plus over one thousand other independent retailers.