



DANKS HOLDINGS LIMITED
ABN 81 004 295 532

27 August 2008

INDEPENDENT HARDWARE CONTINUES TO DRIVE PROFIT GROWTH FOR DANKS

Danks Holdings Ltd is one of Australia's largest, most innovative distributors of hardware and garden products, servicing over 700 independently owned and operated retail businesses through the HoME Timber and Hardware, Thrifty-Link Hardware and Plants Plus Garden Centre retail brands and a further 1,200 independent retailers.

The company's continued focus on member benefits, streamlining of business systems and the recent organisational restructure has seen Danks Holdings Ltd (DKS) lift Net Profit after Tax to **\$4.02 m**, representing a **3.0%** increase on last year's results. These results were achieved on flat revenue of \$561 m for the year ending June 2008.

The Board of Directors are pleased with another good result given the current economic climate, and have declared a fully franked final dividend of **22 cents** per ordinary share which will be paid on **31 October 2008**. This brings the full year dividend to **44 cents** per share, the same as last year.

Danks Holdings Ltd Managing Director Graeme Danks attributes the continued financial success to delivering on the company's core strengths by increasing operational efficiencies via the implementation of new technologies, continued value to its member retailers and seeking out quality products to grow sales of its retail members.

"In 2008, we have implemented a range of innovative new technologies and business strategies to support our members and consolidate Danks' strong position in the hardware retail industry," Mr Danks said.

During the year the company has continued to invest in a number of technology tools that have allowed better management of inventory, the customer contact centre and e-commerce trading. Mr Danks noted, "Our Balance Sheet remains very strong and we continue to conservatively manage the company's working capital".

In April 2008 the business moved into a new 10,000 square metre distribution facility in Perth and invested in significant new materials handling equipment. This relocation enabled the business to consolidate three sites into one purpose built facility. This will allow Danks to further capitalise on the growth opportunities in the Western Australian economy.

Danks are continuing to invest in their network of Distribution Centres and the Perth facility now gives the company three new warehouses around Australia.

In July 2008, Danks Holdings Ltd also acquired its first retail operation, Blue Mountains Hardware in NSW. The sale marked the first important step towards an ongoing emphasis on acquiring or partnering with key retail stores nationally, and means Danks Holdings Ltd will benefit from a further enhanced understanding of the retail environment, achieved through a physical presence at store level and participation in the retail margin.

A S X
R E L E A S E

Significant progress has been made during the year in evaluating the options for a new core Enterprise Resources Planning (ERP) system for the group, and this is on track to commence implementation during FY'09.

Danks recently announced the appointment of Con Dekazos as General Manager - Operations. Mr Dekazos has been with Danks since 2000, most recently as the National Merchandise & Marketing Manager. Mr Dekazos will help drive the business towards further growth, capitalising on the recent organisational restructure that will deliver improved partnerships with our retail members.

"This is a very exciting time for Danks, our customers and suppliers. As we approach celebrations for our 150th Anniversary in 2009, we are confident that we and the independent hardware sector as a whole have a strong and healthy future ahead of us," Mr Danks said.

RESULTS SUMMARY

	2007/08	2006/07
Total Revenue \$m	560.6m	558.9m
Sales Revenue \$m	515.2m	510.4m
Pre-Tax Profit \$m	6.0m	6.15m
Net Profit \$m	4.02m	3.90m
EPS	61.8c	60.0c
Interim Dividend	22.0c	22.0c
Final Dividend	22.0c	22.0c

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Further information on John Danks & Son Pty Ltd. can be found on our internet site: www.danks.com.au

Danks commenced trading as John Danks & Son Pty Ltd in 1859 and celebrates its 150th year in 2009. It currently operates Distribution Centres in Melbourne, Sydney and Perth servicing all states in Australia. There are also State offices in Brisbane, Sydney, Melbourne, Adelaide and Perth

Danks provides the product and Retailer Services requirements for HoME Timber & Hardware, Thrifty-Link Hardware and Plants Plus Garden Centres, a total of more than 650 stores, who are all independently owned and operated, plus over one thousand other independent retailers.