



DANKS HOLDINGS LIMITED
ABN 81 004 295 532

21 February 2008

DANKS PROFIT UP 8% ON LAST YEAR

The Directors of Danks Holdings Limited have today released the company's result for the half year to December 2007.

Revenue for the first half was \$303.5 million, up 1% on the same period last year, and sales for the first half have grown by a similar 1%.

Profit after Tax at \$2.60 m is 8% up on the same period last year.

Overall sales were relatively flat and only 1% ahead of the same period last year, lower housing starts, contracting consumer confidence and some small store closures contributed to this. Sales in our largest segment, HoME Timber and Hardware, were up 2% on last year.

Trading margins eased slightly by 0.4% for the half year compared to the same period last year. This is due to the impact of a slight change in the sales mix of the business. The Danks Exclusive Brands (DEB's) program which includes the brands Earthcore, Red Centre, Tekraft and Sirdar continues to deliver margin benefits to the group.

Underlying business costs were contained compared to last year. However freight costs have risen dramatically above last year, mainly due to fuel surcharges.

The cash position of the company remains strong with good working capital management and a modest capital expenditure program.

The company continues to pursue its improvement program in a number of areas. The relocation to a new Perth warehouse remains on track for the end of March 2008. This purpose built facility will greatly enhance the operating efficiencies for our Western Australian operation, and will position the company favourably to expand influence in that State, which is benefiting greatly from the current minerals boom.

The project to replace the company's core computer system is proceeding to the next phase with implementation likely to be completed by the second quarter 2009.

The company continues to support a number of customers who have invested in new store upgrades and layouts during this period under review. The company has assisted in doing twenty two (22) major upgrades which includes eight (8) of the large HoME Timber & Hardware 'XL' formats.

Danks is continuing to pursue its strategies of organic growth through attracting new members to the company's marketing groups and has reviewed a number of acquisition opportunities.

A continuing upward pressure on interest rates and the very low number of new housing starts will constrain top line growth in the second half. The company will need to continue to review and rationalize its cost structures in the second half year.

A S X R E L E A S E

Results for the six months to December 2007

| | 2007 | 2006 |
|--------------------|-------------|-------------|
| Total Revenue \$m | 303.5 m | 301.5 m |
| Pre-Tax Profit \$m | 3.79 m | 3.56 m |
| Net Profit \$m | 2.60 m | 2.41 m |
| EPS | 40.0 c | 37.0 c |
| Interim Dividend | 22.0 c | 22.0 c |

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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 currently operates in Melbourne, which services the South Australian, Northern Territory, Victorian and Tasmanian markets; in Sydney which services the Queensland and New South Wales markets; and in Perth that services Western Australia. There are also State Sales and Services 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.