HARVEY NORMAN HOLDINGS LIMITED
A.C.N 003 237 545

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N.S.W 2140 LOCKED BAG 2

SILVERWATER DC, NSW 1811
AUSTRALIA

Telephone: (02) 9201 6111
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30 September 2014

The Manager Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Pursuant to listing rule 4.5, we enclose a copy of the 2014 Annual Report for Harvey Norman Holdings Limited, for your attention.

We would appreciate if this Annual Report be treated as having been lodged with ASIC pursuant to section 317 of the Corporations Act 2001.

We confirm that this Annual Report is the same as those to be sent to shareholders.
We expect to have the printed Annual Report for posting to shareholders in mid October 2014.

If you have any queries, please do not hesitate to contact the writer.

Yours faithfully

Chris Mentis
Chief Financial Officer / Company Secretary

2014

ANNUAL REPORT

Harvey Norman®

HOLDINGS LIMITED

Harvey Norman

DOMAYNE

JOYCE MAYNE

Our brands provide 'Solutions For The Home' by offering the largest range of trusted brands, products and services under one roof in 198 Harvey Norman, Domayne and Joyce Mayne franchised stores in Australia and 82 company-operated stores across 7 overseas countries.

KEY DATES:

29 August 2014	Announcement of Full Year Profit to 30 June 2014 Announcement of Final 2014 Dividend
3 November 2014	Record date for Determining Entitlement to Final 2014 Dividend
25 November 2014	Annual General Meeting of Shareholders The Annual General Meeting of the Shareholders of Harvey Norman Holdings Limited will be held at The Sheraton on the Park, 161 Elizabeth Street, Sydney at 11:00am.
1 December 2014	Payment of Final 2014 Dividend
27 February 2015	Announcement of Half-Year Profit to 31 December 2014 Announcement of Interim 2015 Dividend
10 April 2015	Record date for Determining Entitlement to Interim 2015 Dividend
4 May 2015	Payment of Interim 2015 Dividend

COMPANY INFORMATION

Registered Office:
A1 Richmond Road, Homebush West NSW 2140
Ph: 02 9201 6111
Fax: 02 9201 6250

Share Registry:
Boardroom Pty Limited
Level 7, 207 Kent Street, Sydney NSW 2000
Ph: 02 9290 9600

Auditors:
Ernst & Young

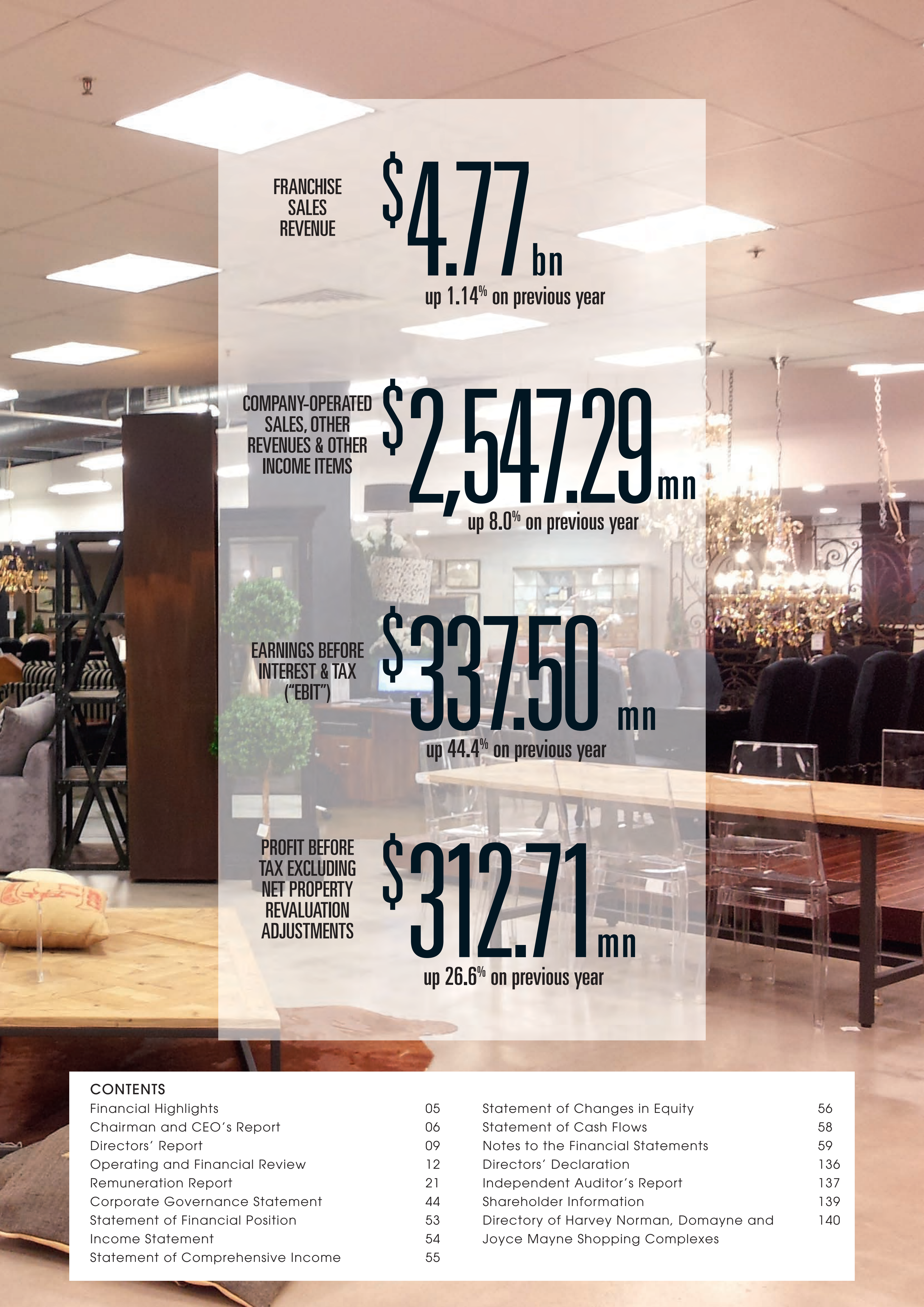
Stock Exchange Listing:
Harvey Norman Holdings Limited shares are quoted on the Australian Securities Exchange Limited ("ASX")

Solicitors:
Brown Wright Stein

Company Secretary:
Mr Chris Mentis

HARVEY NORMAN HOLDINGS LIMITED
ABN 54 003 237 545

"The Omni Channel Strategy, incorporating the Harvey Norman integrated retail, franchise, property and digital platforms, is robust and the most viable format to effectively compete in an evolving market. The digital store, physical store and distribution channels provide a significant competitive advantage for Harvey Norman franchisees."



FRANCHISE SALES REVENUE

$4.77bn

up 1.14% on previous year

COMPANY-OPERATED SALES, OTHER REVENUES & OTHER INCOME ITEMS

$2,547.29mn

up 8.0% on previous year

EARNINGS BEFORE INTEREST & TAX ("EBIT")

$337.50mn

up 44.4% on previous year

PROFIT BEFORE TAX EXCLUDING NET PROPERTY REVALUATION ADJUSTMENTS

$312.71mn

up 26.6% on previous year

CONTENTS

SHOP *with* CONFIDENCE

On **Quality, Value** and **Service.**

Harvey Norman®

FINANCIAL HIGHLIGHTS

Financial Highlights	FY2012 Jun-12	FY2013 Jun-13	FY2014 Jun-14
No. of franchised complexes in Australia[1]	213	206	198
No. of franchisees in Australia[1]	702	696	677
No. of company-operated stores[2]	76	77	82
Franchise sales revenue[1]	$4.83bn	$4.72bn	$4.77bn
Company-operated sales revenue[2]	$1,407.34m	$1,323.48m	$1,513.66m
Other revenues and other income items	$1,061.23m	$1,035.55m	$1,033.62m
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDIA)	$367.93m	$323.32m	$415.35m
Earnings before interest and tax (EBIT)	$276.86m	$233.72m	$337.50m
Net property revaluation decrement	($24.99m)	($59.12m)	($11.65m)
Profit before tax excluding net property revaluation adjustments	$252.40m	$247.06m	$312.71m
Profit after tax and non-controlling interests	$172.47m	$142.21m	$211.70m
Net cash flows from operating activities	$200.95m	$239.22m	$338.94m
Basic earnings per share	16.24c	13.39c	19.93c
Dividends per share (fully franked)	9.0c	9.0c	14.0c
Net debt to equity ratio (%)	26.60%	27.69%	22.40%

1 Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

2 Includes the "Harvey Norman" branded company-operated stores in New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia and the "Norman Ross" branded company-operated stores In New Zealand which were rebranded to "Harvey Norman" in February 2013.

CHAIRMAN AND CEO'S REPORT

Dear Shareholder

We are pleased to report a solid financial result for the 2014 financial year. In an environment characterised by generally improving consumer sentiment, albeit with some weakness related to the release of the Federal Budget late in the year, Harvey Norman's performance was underpinned by sound strategic decision-making and the benefits inherent in our integrated retail, franchise, property and digital system.

Harvey Norman's success depends upon our ability to identify and respond to product and consumer trends coupled with an unrelenting focus on the experience we provide to Harvey Norman customers. We continue to invest in our Omni Channel strategy and pursue efficiencies in our supply chain and underlying productivity. With our strategic priorities clear, we are confident Harvey Norman is well-placed to increase market share and continue to deliver results for shareholders.

Overview of Results

Net profit before income tax **increased 60.2%** from last year to $301.06 million. Excluding net property revaluation adjustments, the result was **26.6% higher** than the previous year at $312.71 million.

Net profit after tax and non-controlling interests ("NPAT") **increased 48.9%** from the previous year to $211.70 million. NPAT was **20.0% higher** at $220.10 million if the effects of property revaluation are excluded. Significantly, last year's result was impacted by a lower effective income tax rate due to a non-recurring credit adjustment. **Applying a consistent effective income tax rate to both years, Harvey Norman achieved a 30.5% increase in NPAT.**

It is pleasing that all three key operating segments contributed to the improved result.

The franchising operations segment recorded a **26.7% increase** in the segment result to $143.72 million. This was due primarily to a 19.7%, or $25.27 million, reduction in tactical support provided to franchisees this year to $103.19 million. The positive momentum reported in the second half of the 2013 financial year continued, with consecutive quarterly increases in Australian franchised sales, on a like-for-like basis, through the year. Headline Australian franchise sales increased by slightly more than 1% to $4.77 billion.

The property segment reported a segment result of $123.67 million, up from $58.52 million in the prior year. The net property revaluation decrement of $11.65 million was a significant improvement on the $59.12 million net revaluation decrement in the prior year and underpinned the improved result, while rental increases were also a factor.

The company-operated retail segment delivered a segment result of $28.72 million this year, up from $12.53 million in the previous year. This was driven by improved operational performances in a number of markets abroad, primarily New Zealand and Ireland and Northern Ireland. Improved profitability in New Zealand was largely due to new store openings and insurance recoveries for previously sustained damages and business interruptions. In Ireland and Northern Ireland, continued efforts to increase brand recognition and optimise operations were complemented by stabilisation in the local economy and a lift in consumer sentiment.

Net cash flows from operating activities increased by $99.72 million or 41.7%, from $239.22 million in the previous year to $338.94 million for the year ended 30 June 2014. The higher net cash flows received from operating activities was used to repay borrowings from external parties. The overall debt levels of the consolidated entity remain low, resulting in a reduction in the net debt to equity ratio from 27.69% in the prior year to 22.40% as at 30 June 2014.

Omni Channel

In recent years we have transformed Harvey Norman from a traditional retailer with physical-only sites to a truly Omni Channel service offering.

Harvey Norman customers want the ability to move seamlessly between digital interfaces and Harvey Norman complexes, and we have made this possible. It is estimated that between 60% and 70% of customer journeys commence by seeking information online, and our success depends on our ability to offer customer support across platforms and the purchasing option that works best for them.

We provide a dependable experience whether the customer elects to "click and collect" from one of our 198 franchised complexes in Australia, to transact online, or to visit their local store after researching online. The Harvey Norman Australian "Live Chat" feature enables customers to access the knowledge of Harvey Norman's Australian franchisees, providing all the benefits of our industry-leading product expertise and service standards.

The Omni Channel strategy leverages our extensive network of franchised complexes across Australia, positioning each one as a retail distribution centre and Harvey Norman as a leading and efficient integrated retail distribution network. Information gathered across our integrated platform provides valuable insights into customer behaviour. We are increasingly utilising data analytics to improve the Omni Channel service offering, with benefits for Harvey Norman customers and the business alike.

CHAIRMAN AND CEO'S REPORT (CONTINUED)

Leveraging the Integrated Model

Our company-owned $2.29 billion property portfolio provides the backbone for our retail and franchising operations, differentiating Harvey Norman from competitors by providing financial stability and unrivalled operational agility.

Ultimately, Harvey Norman prospers when our franchisees prosper. Our franchise system seeks to deliver economies of scale and a clear strategic direction, while preserving autonomy and the flexibility to apply local expertise within each complex. We are committed to providing support and investment to assist our franchisees in building and maintaining their businesses. We provide high-quality training programs for franchisee staff, while our strong balance sheet underpins our ability to protect the Harvey Norman brand and competitive position through the provision of tactical support to franchisees where necessary. However, it is encouraging that the level of tactical support that our franchisees required over the last year decreased significantly on the back of increased franchise sales and profitability.

Operationally, property ownership enables us to respond quickly to the changing needs of our retail business. We have the flexibility to redevelop, refurbish, reconfigure and expand when needed. With current consumer trends indicating an increase in demand for floor-space intensive products in the homemaker categories, this capability is a real competitive advantage for Harvey Norman.

Property ownership also improves our ability to attract customers, as we are able to ensure a high quality, cross-beneficial tenancy mix in our complexes.

Investing in Efficiencies

Harvey Norman has an ongoing commitment to invest in systems, technology and processes that optimise the performance and profitability of our business while providing benefits to our franchisees and customers. Two significant initiatives will be rolled out over the coming year.

The first of these is a merchandise, inventory and supplier management system that is expected to deliver substantial enhancements to our back-end capabilities. Over many years, we have developed strong supplier relationships and our franchisees already benefit from unmatched insight into emerging product and market trends. We are now looking to achieve a transformation in the way our sales personnel engage with information and interact with suppliers and customers. The new system will be more efficient and more accurate, leading to increased productivity and cost reduction in the long-term. The inventory management system will also support our Omni Channel strategy by ensuring consistency across our integrated platforms.

The second project to be introduced in the 2015 financial year is workforce productivity improvement. The technology used in the project will initially provide a more efficient means for franchisees to monitor staff time and attendance, and over the long term, will provide automated, optimised rostering for franchisees that draws upon customer traffic analysis. A more scientific approach to roster design will reduce franchisee labour costs while improving customer service standards across the trading week.

Ian Norman

It was a sad day for all of us at Harvey Norman on 29 May 2014, when we announced the passing of Ian John Norman. Mr. Norman co-founded Harvey Norman in 1982 and was instrumental in the growth and development of the company into a leading Australian retail, franchise, property and digital system. In aggregate, more than 20,000 people are employed in the businesses of the franchisees and the company.

Mr. Norman was devoted to his family and a generous philanthropist who contributed to a diverse range of causes throughout his life. He will be greatly missed by the Harvey Norman team and all who had the pleasure of his friendship, support and guidance. He will be remembered as a true gentleman and an Australian business pioneer.

Mr. Norman was appointed a non-executive director of Harvey Norman upon its listing on the ASX in 1987 and remained on the Board until the day of his passing. Mr. Norman was also a substantial shareholder, with a 16.5% shareholding in Harvey Norman. The executor and trustee of Mr. Norman's will has advised that the estate of Mr. Norman and estate controlled entities intend to remain a long term shareholder in Harvey Norman.

CHAIRMAN AND CEO'S REPORT (CONTINUED)

Outlook

We anticipate that Harvey Norman's performance over the medium term will be underpinned by a robust outlook for the Australian housing market coupled with our continued commitment to our integrated retail, franchise, property and digital system.

With conservative gearing levels and a net asset base that has more than doubled over the last ten years, Harvey Norman is well-placed to capitalise on growth opportunities as they arise.

Favourable trends are evident in the Australian housing market, and we are positioned to harness our market-leading position in homemaker product categories to build additional market share.

Continued development of our Omni Channel strategy, together with initiatives to improve the efficiency of our business, gives us confidence in Harvey Norman's prospects in an improving environment.

We thank you for your continued support and confidence over the last twelve months.

G. HARVEY
Executive Chairman
Sydney
30 September 2014

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2014

DIRECTORS' REPORT

Directors

Unless otherwise indicated, all directors (collectively termed "the Board") held their position as a director throughout the entire financial year and up to the date of this report.

Gerald Harvey
Executive Chairman
Mr. G. Harvey was the co-founder of Harvey Norman Holdings Limited in 1982 with Mr. Norman. Mr. G. Harvey has overall executive responsibility for the strategic direction of the consolidated entity, and in particular, property investments.

Christopher Herbert Brown OAM, LL.M, FAICD, CTA
Non-Executive Director
Mr. Brown holds the degree of Master of Laws from the University of Sydney. Mr. Brown is the senior partner in Brown Wright Stein Lawyers. Brown Wright Stein Lawyers has acted as lawyers for the consolidated entity since 1982. Mr. Brown was appointed a director of the Company in 1987, when it became a listed public company. Mr. Brown is Chairman of the Remuneration and Nomination Committees and a member of the Audit Committee.

Mr. Brown is the Chairman of Windgap Foundation Limited. In 2013 he was awarded the Medal of the Order of Australia (OAM) for service to the community, particularly to people with disability.

David Matthew Ackery
Executive Director
Mr. Ackery was appointed a director of Harvey Norman Holdings Limited on 20 December 2005. Mr. Ackery has overall executive responsibility for the relationship between the consolidated entity and Harvey Norman home appliances, home entertainment and technology franchisees and strategic partners.

Mr. Ackery is a director of the public company, St. Joseph's College Foundation Limited.

Michael John Harvey B.Com.
Non-Executive Director
Mr. M. Harvey joined Harvey Norman in 1987, having completed a Bachelor of Commerce degree. Mr. M. Harvey gained extensive experience as a Harvey Norman franchisee from 1989 to 1994. Mr. M. Harvey became a director of the Company in 1993 and was appointed Managing Director in July 1994. Mr. M. Harvey ceased to be an Executive Director and Managing Director on 30 June 1998.

Kay Lesley Page
Executive Director and CEO
Ms. Page joined Harvey Norman in 1983 and was appointed a director of Harvey Norman Holdings Limited in 1987. Ms. Page became the Chief Executive Officer of the Company in February 1999 and has overall executive responsibility for the consolidated entity.

Ms. Page is a member of the NSW Public Service Commission Advisory Board.

Ms. Page is a director of the following other listed/public companies:
- Australian National Retailers Association (ANRA)
- Trustee of the Sydney Cricket and Sports Ground Trust

John Evyn Slack-Smith
Executive Director and COO
Mr. Slack-Smith was a Harvey Norman computer franchisee between 1993 and 1999. Mr. Slack-Smith became a director of the Company on 5 February 2001. Mr. Slack-Smith has overall executive responsibility for the operations of the consolidated entity.

Kenneth William Gunderson-Briggs B.Bus., FCA, MAICD
Non-Executive Director (Independent)
Mr. Gunderson-Briggs was appointed a director of Harvey Norman Holdings Limited on 30 June 2003. Mr. Gunderson-Briggs is a chartered accountant and a registered company auditor. Mr. Gunderson-Briggs has been involved in public practice since 1982 and a partner in a chartered accounting firm since 1990. Mr. Gunderson-Briggs' qualifications include a Bachelor of Business from the University of Technology, Sydney and he is a fellow of the Institute of Chartered Accountants. Mr. Gunderson-Briggs is a member of the Audit, Remuneration and Nomination Committees.

Mr. Gunderson-Briggs is the Chairman of Glenaeon Rudolph Steiner School Limited. During the current financial year, Mr. Gunderson-Briggs was appointed a non-executive director of API Limited, a company listed on the ASX.

Chris Mentis B.Bus., FCA, FCIS, Grad Dip App Fin
Executive Director, CFO & Company Secretary
Mr. Mentis was appointed a director of Harvey Norman Holdings Limited on 30 August 2007.

Mr. Mentis joined Harvey Norman as Financial Controller on 15 December 1997. On 20 April 2006, he became Chief Financial Officer and Company Secretary. Mr. Mentis is a chartered accountant and a chartered secretary with over 27 years experience in financial accounting. Mr. Mentis has overall executive responsibility for the accounting and financial matters of the consolidated entity.

Graham Charles Paton AM, B.Ec., FCPA, MAICD
Non-Executive Director (Independent)
Mr. Paton holds a Bachelor of Economics degree from the University of Sydney. During his 23 years as a partner of an international chartered accounting practice, he was involved in the provision of professional services to the retail industry. He retired from public practice in July 2001. Mr. Paton is a Fellow and Life Member of CPA Australia and was the National President of that professional accounting body in 1993/1994.

In 2001 he was awarded membership of the General Division of the Order of Australia for his services to the accounting profession and for his services to the deaf community through his chairmanship of the Shepherd Centre for Deaf Children for the decade to 2001.

Mr. Paton was appointed a director of Harvey Norman Holdings Limited on 20 June 2005. Mr. Paton was also appointed as a member of the Audit, Remuneration and Nomination Committees on 30 June 2005 and was appointed Chairman of the Audit Committee on 9 March 2006.

Mr. Paton is an independent non-executive director of Gazal Corporation Limited, a company listed on the ASX.

DIRECTORS' REPORT (CONTINUED)

Directors (continued)

Ian John Norman
Non-Executive Director
Mr. Norman, Non-Executive Director, co-founder and major shareholder of Harvey Norman Holdings Limited passed away and ceased being a director of the Company on 29 May 2014.

An Australian entrepreneur, Mr. Norman is best known for the establishment of retail giant Harvey Norman, which he co-founded with Harvey Norman Executive Chairman, Gerry Harvey in 1982.

The estate of Mr. Norman and entities in which the estate has an interest, indirectly hold 175,249,660 shares in the Company. That shareholding represents 16.5% of the issued shares in the Company. The executor and trustee named in Mr. Norman's will is Christopher Herbert Brown, who is a non-executive director of the Company. The executor and trustee has advised the Company that the estate of Mr. Norman and estate controlled entities intend to remain a long-term shareholder in the Company.

Company Secretary

Mr. Chris Mentis is a chartered accountant and became Company Secretary on 20 April 2006. Mr. Mentis has over 27 years experience in financial accounting and has been with the consolidated entity since 1997. Mr. Mentis is a member of the Institute of Chartered Secretaries.

Committee Membership
As at the date of this report, the Company had an Audit Committee, a Remuneration Committee and a Nomination Committee. Members acting on the committees of the board during the year were:

Audit Committee:
- G.C. Paton AM (Chairman)
- C.H. Brown OAM
- K.W. Gunderson-Briggs

Remuneration Committee:
- C.H. Brown OAM (Chairman)
- K.W. Gunderson-Briggs
- G.C. Paton AM
-

Nomination Committee:
- C.H. Brown OAM (Chairman)
- K.W. Gunderson-Briggs
- G.C. Paton AM

Directors' Meetings

The number of meetings of the Board of directors and of its Board committees during the year were:

Board / Committee	Number of Meetings
Full Board	9
Audit	8
Remuneration	12
Nomination	1

Attendance at Remuneration Committee Meetings:
- C.H. Brown (Chairman): 12 (12)
- K.W. Gunderson-Briggs: 12 (12)
- G.C. Paton AM: 10 (12)

Attendance at Nomination Committee Meeting:
Mr G.C. Paton, Mr C.H. Brown and Mr K.W. Gunderson-Briggs attended the Nomination Committee meeting held during the year.

The attendance of directors at meetings of the Board and Audit Committee were:

Director	Board of Directors	Audit Committee
G. Harvey	9 (9)	n/a
K.L. Page	9 (9)	n/a
J.E. Slack-Smith	8 (9)	n/a
D.M. Ackery	9 (9)	n/a
M.J. Harvey	9 (9)	n/a
C.H. Brown	9 (9)	8 (8)
I.J. Norman	3 (9)	n/a
K.W. Gunderson-Briggs	9 (9)	8 (8)
G.C. Paton	9 (9)	8 (8)
C. Mentis	9 (9)	n/a

The above table represents the directors' attendance at meetings of the Board and the Audit Committee. The number of meetings for which the director was eligible to attend is shown in brackets.

In addition, the executive directors held regular meetings for the purpose of signing various documentation.

Principal Activities

The principal activities of the consolidated entity are that of an integrated retail, franchise, property and digital system including:
- Franchisor;
- Sale of furniture, bedding, computers, communications and consumer electrical products in New Zealand, Slovenia, Croatia, Ireland and Northern Ireland;
- Property investment;
- Lessor of premises to Harvey Norman franchisees and other third parties;
- Media placement; and
- Provision of consumer finance and other commercial advances.

The consolidated entity holds a controlling interest in Pertama Holdings Pte Limited ("Pertama"). Following the completion of the compulsory acquisition of shares in Pertama by a wholly-owned subsidiary of the Company during January 2014, Pertama was delisted from the Stock Exchange of Singapore. The principal activities of Pertama are retail sales of furniture, bedding, computers, communications and consumer electrical products in Singapore and Malaysia.

Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the year ended 30 June 2014.

Corporate Governance

The Company is committed to good corporate governance and disclosure. The Company has substantially adopted the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" for the entire financial year, unless otherwise stated.

Significant Events After Balance Date

There have been no circumstances arising since balance date which have significantly affected or may significantly affect:
- the operations;
- the results of those operations; or
- the state of affairs of the entity or consolidated entity in future financial years.

Directors' Report

Directors' Interests

At the date of this report, the relevant direct and indirect interest of each director in the shares, options or other instruments of the Company and related bodies corporate are:

HARVEY NORMAN HOLDINGS LIMITED Director	Ordinary Shares	Options
G. Harvey	313,484,571	-
K.L. Page	16,995,133	-
M.J. Harvey	2,845,553	-
C.H. Brown	175,353,127 (a)	-
J.E. Slack-Smith	259,999	1,195,000
D.M. Ackery	146,667	1,195,000
K. W. Gunderson-Briggs	3,000	-
G.C. Paton	15,000	-
C. Mentis	18,500	1,195,000
TOTAL	509,121,550	3,585,000

(a) The estate of Mr. I.J. Norman and entities in which the estate has an interest, indirectly hold 175,249,660 shares in the Company through Dimbulu Pty Limited. The executor and trustee named in Mr. Norman's will is Mr. C.H. Brown, who also became the sole director of Dimbulu Pty Limited on 29 May 2014 following the death of Mr. I.J. Norman.

Dividends

The directors recommend a fully franked final dividend of 8.0 cents per share to be paid on 1 December 2014 (total dividend, fully franked - $84,985,343). The following fully franked dividends of the Company have also been paid, declared or recommended since the end of the preceding financial year:

Dividend	Payment Date	$
2013 final fully franked dividend	2 December 2013	47,804,255
2014 interim fully franked dividend	5 May 2014	63,739,007

The total dividend in respect of the year ended 30 June 2014 of 14.0 cents per share represents 70.25% (2013: 67.23%) of profit after tax and non-controlling interests, as set out on page 54 of the financial statements.

The Dividend Policy of the Company is to pay such dividends as do not compromise the capability of the Company to execute strategic objectives.

Share Options

As at the date of this report, there were 3,585,000 unissued ordinary shares under options (30 June 2013: 5,784,000).

Beneficial Interest

Included in the Directors' Interests table are the following shareholdings indirectly held by each of the directors:

Director	Beneficial Interest in Shares
G. Harvey	has a beneficial interest in 5,752,486 shares held by G Harvey Nominees Pty Limited (as trustee for Harvey 1995 No. 2 Trust), 134,876,815 shares held by G Harvey Nominees (as trustee for Harvey Lamino No. 1 Trust), 333,333 shares held by HVN Share Plan Pty Limited (interest held by G. Harvey as trustee for Harvey 2003 Option Trust (Shares)), 3,965,039 shares held by Gerald Harvey (as trustee for Harvey 2003 Option Trust) and 82,147,147 shares held by Gerald Harvey (as trustee for Harvey Option Trust).
K.L. Page	has a beneficial interest in 8,101,858 shares held by K. Page Pty Limited, 318,406 shares held by K. Page Superannuation Fund Pty Limited and 333,333 shares held by HVN Share Plan Pty Limited (interest held by K.L Page as trustee for Page 2003 Option Trust (Shares)).
J.E. Slack-Smith	has a beneficial interest in 59,999 shares held by HVN Share Plan Pty Limited (interest held by J.E. Slack-Smith as trustee for Slack-Smith 2003 Option Trust (Shares)) and 200,000 shares held by J. E. Slack-Smith as trustee for Slack-Smith 2003 Option Trust (Shares).
D.M. Ackery	has a beneficial interest in 133,334 shares held by HVN Share Plan Pty Limited (interest held by D.M. Ackery as trustee for Ackery 2005 Option Trust (Shares)) and 13,333 shares held by D.M. Ackery as trustee for Ackery 2005 Option Trust (Shares).
M.J. Harvey	has a beneficial interest in 678,735 shares held by M.J. Harvey Option Trust.
C.H. Brown	has a beneficial interest in 41,763 shares held by PWSD Pty Limited, 61,704 shares held by Starmoro Pty Limited and 175,249,660 shares held by Dimbulu Pty Limited.
K.W. Gunderson-Briggs	has a beneficial interest in 3,000 shares held by Nosrednug Superannuation Fund Pty Limited.
G.C. Paton	has a beneficial interest in 15,000 shares held by G.C. Paton and V. Paton as trustee for The St. Georges Superannuation Fund.

Operating and Financial Review (OFR)

The Operating and Financial Review provides shareholders with an overview of the consolidated entity's results, financial position, dividends and key strategies for the 2014 financial year. It also provides a summary of business risks and a trading outlook for the 2015 financial year.

Financial Analysis and Commentary: Net Profit Before Tax & Net Profit After Tax

Profit Before Income Tax
Net profit before income tax for the year ended 30 June 2014 was $301.06 million compared with $187.95 million for the preceding year, **an increase of $113.12 million or 60.2%**. If the effects of the net property revaluation adjustments were excluded from the result, net profit before tax for the year ended 30 June 2014 would have been $312.71 million compared to $247.06 million for the prior year, **an increase of $65.65 million or 26.6%**.

Net profit before tax was impacted by the following:

- the net property revaluation decrement of $11.65 million for the current year compared to a net property revaluation decrement of $59.12 million in the previous year, a lower net decrement by $47.46 million;
- an improvement in the profitability of the franchising operations segment by $30.29 million or 26.7% primarily due to a reduction in tactical support provided to franchisees. Tactical support provided to franchisees reduced from $128.46 million in the previous year to $103.19 million in the current year ended 30 June 2014, a decrease of $25.27 million or 19.7%;
- a reduction in the trading losses incurred by the company-operated stores in Ireland and Northern Ireland by $8.38 million or 27.4% resulting from the continued efforts of loss reduction and strengthening of the brand, and consistent with early signs of stabilisation in the Irish economy;
- an increase of $8.56 million in rent received from franchisees and third party tenants;
- an improvement in the profitability of the company-operated stores in New Zealand by $7.83 million or 18.7% due to new store openings and insurance recoveries received in relation to the Christchurch and Porirua stores that sustained damages and business interruption issues in previous years;
- a decline in the profitability of the company-operated stores in Asia by $5.96 million attributable to a combination of factors including declining consumer sentiment in Singapore, redevelopment of the Suntec City Mall in Singapore, and difficulties arising from the implementation of the new information technology systems in Singapore and Malaysia.

Net Profit After Tax and Non-Controlling Interests:
Net profit after tax and non-controlling interests was $211.70 million for the year ended 30 June 2014 compared with $142.21 million for the preceding year, **an increase of $69.48 million or 48.9%**. If the effects of the net property revaluation decrements were excluded from the result, the net profit after tax and non-controlling interests for the year ended 30 June 2014 would have been $220.10 million compared to $183.40 million for the prior year, **an increase of $36.70 million or 20.0%**.

Net profit after tax and non-controlling interests for the previous year was impacted by a lower tax charge due to a non-recurring credit adjustment of $13.60 million relating to exempt foreign transactions attributable to previous financial years. The effective income tax rate for the current year was 29.50% compared to an effective income tax rate for the previous year of 23.13%.

Review and Results of Key Operating Segments

1) The Franchising Operations Segment
Consistent with the momentum and modest growth experienced since the second half of the 2013 financial year, there have been consecutive increases in Australian franchise sales revenue, on a like-for-like basis, for each quarter of the 2014 financial year.

Headline Australian franchise sales revenue was $4.77 billion for the year ended 30 June 2014 compared to $4.72 billion for the preceding year, an increase of $53.59 million or 1.14%.

Franchise Sales Revenue	1Q14	2Q14	3Q14	4Q14	FY2014
Franchise Sales Revenue[1]	$1.15bn	$1.33bn	$1.11bn	$1.18bn	**$4.77bn**
% increase on PCP*	1.2%	1.7%	1.8%	(0.1%)	**1.14%**
Like-for-Like Franchise Sales[1]	$1.14bn	$1.32bn	$1.11bn	$1.18bn	**$4.75bn**
% increase on PCP*	2.9%	3.6%	3.6%	2.0%	**3.03%**

* previous corresponding period

[1] Retail sales in Harvey Norman, Domayne and Joyce Mayne complexes in Australia are made by independently owned franchised business entities and do not form part of the financial results of the consolidated entity.

The improving sales trend, and the continued focus and expansion of franchisees within the homemaker categories, has moderated the need for the provision of tactical support to franchisees during the current year, resulting in a reduction of $25.27 million or 19.7% relative to prior year. The aggregate amount of tactical support advanced to franchisees has reduced by approximately 19% for each period since the second half of the 2013 financial year. The consolidated entity will continue to support the franchisee's commitment to training and investing in their people and enhance the overall customer experience.

DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review (OFR) (continued)

The segment result before tax for the franchising operations segment was $143.72 million compared to $113.43 million for the previous year, an increase of $30.29 million or 26.7%. The franchising operations margin is calculated as the segment result before tax of the franchising operations segment divided by franchise aggregate sales revenue. The franchising operations margin was 3.01% for the year ended 30 June 2014 compared to 2.40% for the year ended 30 June 2013. The table below shows the franchising operating margin for each half of the 2014 financial year, compared to previous corresponding period.

Franchising Operations Analysis by Half-Year	Half Year Ended 31 December		Half Year Ended 30 June		Full Year Ended 30 June	
	6-Months Dec 2013	6-Months Dec 2012	6-Months Jun 2014	6-Months Jun 2013	12-Months Jun 2014	12-Months Jun 2013
No. of franchised complexes in Australia	202	211	198	206	**198**	**206**
Franchising operations segment result	$79.86m	$71.01m	$63.86m	$42.42m	**$143.72m**	**$113.43m**
Franchise sales revenue	$2.48bn	$2.44bn	$2.296bn	$2.28bn	**$4.77bn**	**$4.72bn**
Franchising operations margin (%)	**3.22%**	**2.91%**	**2.78%**	**1.86%**	**3.01%**	**2.40%**
Included in the franchising operations segment result is tactical support provided to franchisees as follows:						
Tactical support provided to franchisees	$51.17m	$63.80m	$52.02m	$64.67m	**$103.19m**	**$128.46m**
% decrease on PCP*	-19.8%		-19.6%		**-19.7%**	

* previous corresponding period

2) The Property Segments: Retail Property, Property Under Construction for Retail and Property Developments

A strong property portfolio is an integral component of the Harvey Norman omni channel strategy. The ownership of high-quality, well-located complexes, with Harvey Norman, Domayne or Joyce Mayne franchisees as anchor tenants, delivers a steady and reliable income stream to the consolidated entity in the form of market rents and outgoings. A large, robust property portfolio affords enhanced negotiating power in the property sector allowing the consolidated entity to capitalise on investment opportunities as they arise, attract superior national third-party tenants to co-locate with franchisees within a complex and the benefit of operational cost efficiencies through economies of scale.

Overall, the property portfolio remains fundamentally strong. It has high occupancy rates, growing revenue streams and it is anticipated to have a strong upside for capital growth. Operating profits have been robust as the consolidated entity continues to focus on improving revenue streams and curtailing operating costs.

Our consolidated property portfolio is valued at $2.29 billion as at 30 June 2014. This represents over 50% of our total asset base as at balance date. The result before tax generated by our property segments represents 41.1% of our consolidated profit before tax for the year ended 30 June 2014, excluding the impact of the net property revaluation decrement for the year.

The segment result before tax of our property segments was $123.67 million for the year ended 30 June 2014 compared to a result of $58.52 million for the previous year, an increase of $65.15 million or 111.3%. The property segment result for the current year included a net property revaluation decrement of $11.65 million compared to a net decrement of $59.12 million for the previous year, a lower net decrement by $47.46 million. If the net property revaluation adjustments were excluded from both years, the property segment result before tax would have been $135.32 million for the current year compared to $117.63 million for the preceding year, an increase of $17.68 million or 15.0%. The improvement in the property segment result is due to higher rent and outgoings revenue from owned complexes in Australia and increased rent charged to third-parties from the ramp-up of external tenancies in recently-opened full-format complexes. The mining camp joint ventures continued to operate well throughout the year, contributing $9.71 million to the property segment result.

Composition of the Property Portfolio

Total Property Segment Assets	2013 $000	2014 $000
Investment properties	1,853,540	1,903,504
Joint venture properties	16,740	27,557
Owned land & buildings in New Zealand, Singapore, Slovenia & Australia	311,736	350,656
Properties held for resale	23,788	8,853
Total Property Segment Assets	**2,205,804**	**2,290,570**

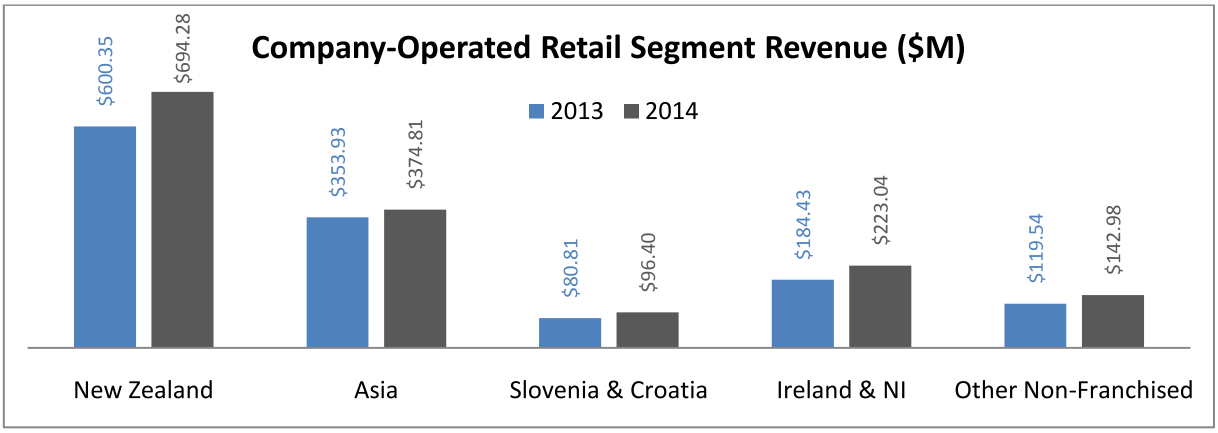
DIRECTORS' REPORT (CONTINUED)

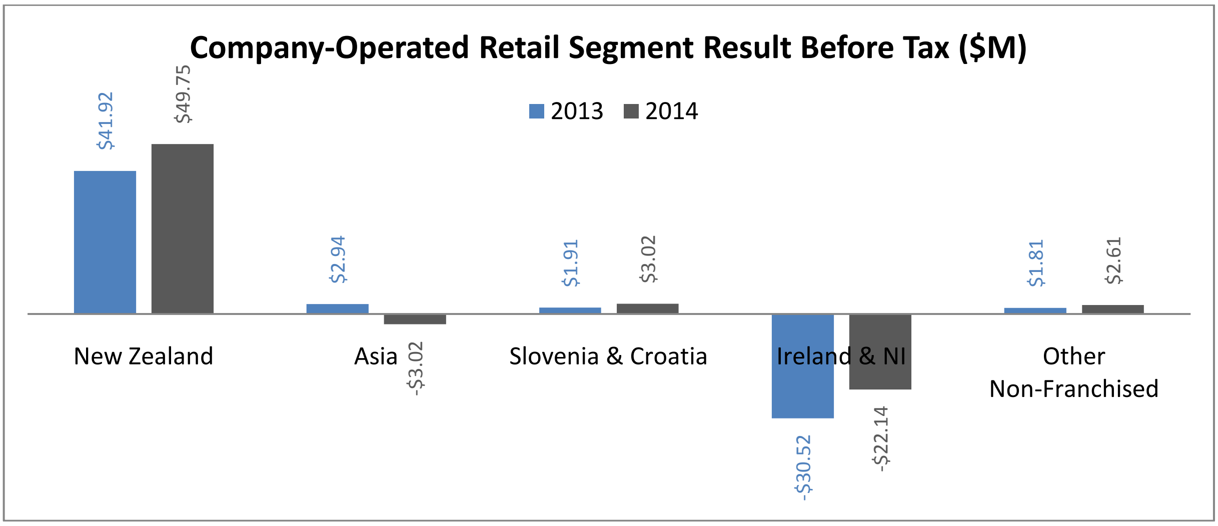
Operating and Financial Review (OFR) (continued)

Net Property Revaluation Adjustments	2013	2014
Recorded in the Income Statement:		
Total Australian net property revaluation decrement	($60.35m)	($9.53m)
Plus: Revaluation increment/(decrement) for overseas controlled entities:		
- New Zealand	$1.23m	($0.20m)
- Slovenia	-	($1.92m)
Total net property revaluation decrement in the Income Statement	**($59.12m)**	**($11.65m)**
Recorded in Equity (Asset Revaluation Reserve)		
- Australia	($2.12m)	$0.58m
- New Zealand	$1.69m	$10.98m
- Slovenia	$0.32m	$0.06m
- Singapore	$2.43m	$5.02m
Total net property revaluation adjustments recorded in Equity (ARR)	**$2.32m**	**$16.64m**

The investment property portfolio in Australia and properties held in joint venture entities are subject to a semi-annual review to fair market value at each reporting period. At each reporting period, one-sixth of the investment property portfolio is independently valued with the remaining five-sixths reviewed for fair value by Directors. The entire portfolio is independently valued every three years. During the year ended 30 June 2014, forty-four (44) properties in Australia have been independently valued, comprising forty-three (43) investment properties and one (1) owner-occupied property. The forty-three (43) properties that were independently valued represented 36.44% of the total number of investment properties in Australia owned by the consolidated entity and represented 38.05% of the fair value of all investment properties in Australia. The balance of the portfolio was reviewed resulting in the preparation of internal valuations for thirteen (13) additional sites. The valuation for the current year resulted in a net decrement of $9.53 million in Australia, a $0.20 million decrement in New Zealand and a $1.92 million decrement in Slovenia.

3) The Company-Operated Retail Segments





DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review (OFR) (continued)

New Zealand
FX rate: NZD vs AUD up 12.88%
Sales revenue from the NZ company-operated stores increased by $NZ14.97 million (increase of 2.04%) from $NZ734.72 million in the previous year to $NZ749.69 million for the year ended 30 June 2014. This was partly due to two new store openings in Hornby & Tauranga (both in Nov-13) and a full-year's trading of the Mt. Roskill and Lincoln Centre stores that opened in the previous year. The Christchurch store performed strongly (sales up $NZD8.03 million) due to the re-opening of the main store in Feb-13, following the use of temporary sites after the earthquake. Upon translation into Australian dollars, the rise in sales revenue was $89.25 million (rise of 15.2%) due to a 12.88% appreciation of the NZD relative to the Australian dollar during the year. Other revenue increased by $4.68 million primarily due to the receipt of insurance recoveries following the finalisation of the Christchurch earthquake claim and the Porirua fire claim.

The retail segment result in New Zealand was $49.75 million for the year ended 30 June 2014 compared to $41.92 million for the previous year, an increase of 18.7%, largely due to the effects of the stronger New Zealand dollar and the insurance recoveries received in June 2014.

Despite, a lower rate of growth in New Zealand sales, and like-for-like comparables, we retain the market leader position across key product categories.

Asia
FX rate: SGD vs AUD up 9.95%
Sales revenue from the controlled entity Pertama Holdings Pte Limited, Singapore trading as "Harvey Norman®", decreased by $S15.95 million (decrease of 3.6%). Upon translation into Australian dollars, sales actually increased by $21.07 million (increase of 6.0%). There was an appreciation of 9.95% in the Singapore dollar relative to the Australian dollar.

Sales in Singapore were lower due to tighter discretionary spending attributed to a fall in consumer sentiment and the redevelopment of the Suntec City Mall.

Despite new store openings in Malaysia (Gurney Paragon and Nu Sentral) plus a full-year's trading of the Ampang Point store that opened in the previous year, the increase in Malaysian sales was marginal in local currency.

The segment result in Asia was a loss of $3.02 million for the year ended 30 June 2014 compared to profit of $2.94 million in the previous year, a decrease of $5.96 million or -202.8%. The profitability of the Asian segment was negatively impacted by gross margin declines, higher information technology and consultancy costs, and increased wages and administration costs following new store openings and expansion of the business in Malaysia. The Asian segment experienced difficulties in the implementation of new information technology systems during the year.

The 100% company-owned Space brand in Singapore is ideally placed for the growing prestige market in the Asia-Pacific region.

Ireland & Northern Ireland
FX rate: Euro vs AUD up 17.33%
FX rate: GBP vs AUD up 15.77%
Sales revenue from the company owned stores in Ireland increased by €5.95 million (increase of 4.32%) from €137.48 million in the previous year to €143.43 million for the year ended 30 June 2014. Upon translation into Australian dollars, sales revenue increased by $38.75 million (increase of 22.4%) due to a 17.33% appreciation of the Euro relative to the Australian dollar and improved performance across all product categories, particularly furniture and bedding.

Sales revenue from the two company operated stores in Northern Ireland decreased by £0.58 million (decrease of 10.7%) from £5.44 million in the previous year to £4.86 million for the year ended 30 June 2014.

This decrease was mainly due to the rationalisation of the electrical and computer categories in September 2012. This was offset by improved furniture and bedding sales due to better marketing, range, pricing and slight improvement in the Irish economy.

The segment result for operations in Ireland and Northern Ireland was a trading loss of $22.14 million for the year ended 30 June 2014 compared to a loss of $30.52 million for the previous year, an improvement in the result by $8.38 million. This result reflects the ongoing trend within the Irish business of loss reduction and local management are confident that trend will continue.

Slovenia and Croatia
FX rate: Euro vs AUD up 17.33%
Sales revenue from the company-operated stores in Slovenia and Croatia increased by €0.95 million (increase of 1.5%) relative to prior year. Sales in Slovenia increased by €1.32 million whilst sales in Croatia decreased by €0.37 million. Upon translation into Australian dollars, sales actually increased by $15.30 million (increase of 19.1%) due to a 17.33% appreciation of the Euro relative to the Australian dollar.

Sales were adversely affected during the year due to low consumer confidence as a result of continued political negativity and extreme discounting from competitors. Despite this competition, we continued to grow market share in all key categories and attempted to minimise the effect by renewing our focus on cost control and management. Croatia joined the EU on 1 July 2013 effectively eliminating its borders with neighbouring countries, resulting in operational cost reductions.

The retail segment result in Slovenia and Croatia was $3.02 million for the year ended 30 June 2014 compared to $1.91 million for the previous year, an increase of 57.6%.

Other Non-Franchised Retail
The non-franchised retail segment primarily consists of the retail trading operations in Australia which are controlled by the consolidated entity and does not include any operations of Harvey Norman franchisees.

Sales revenue for the other non-franchised retail segment was $140.35 million for the year ended 30 June 2014 compared to $117.29 million for the previous year, an increase of 19.7%.

The segment result for the non-franchised retail segment was a profit of $2.61 million for the current year compared to a profit of $1.81 million in the previous year, an increase of $0.79 million or 43.8%.

DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review (OFR) (continued)

Review of the Financial Position of the Consolidated Entity

Net Assets	2012	2013	2014
Total Assets	$3.95bn	$4.07bn	$4.23bn
Return on Total Assets %	4.36%	3.50%	5.01%
Total Liabilities	$1.68bn	$1.70bn	$1.73bn
Net Assets	$2.27bn	$2.36bn	$2.49bn
Return on Net Assets % (a)	7.71%	6.10%	8.57%

(a) excludes non-controlling interests

Net Debt to Equity %	2012	2013	2014
Total Debt	$779.35m	$820.28m	$707.97m
Less: Cash Reserves	($172.46m)	($161.66m)	($144.96m)
Net Debt	$606.89m	$658.62m	$563.01m
Total Equity (b)	$2.28bn	$2.38bn	$2.51bn
Net Debt to Equity %	**26.60%**	**27.69%**	**22.40%**

(b) excludes acquisition reserve

The net assets of the consolidated entity were $2.49 billion as at 30 June 2014, an increase of 5.4% on the net asset base as at 30 June 2013. Included in net assets are property assets with a fair value of $2.29 billion as at balance date. The strength of our balance sheet is underpinned by the ownership of real, tangible property assets which is an essential component of our Omni Channel strategy.

Total assets have increased during the period due to the growth in plant and equipment and investment property assets, from $2.40 billion in the previous year to $2.47 billion in the current year, following new store openings in overseas markets as well as renovations and refurbishments of existing sites in Australia. Equity accounted investments have increased from $16.50 million in prior year to $24.91 million as at balance date due to further investment and expansion of operations in our mining camp accommodation joint ventures. Other working capital assets, primarily consisting of receivables and inventory, remain largely consistent with the prior year balance, in terms of local currencies, and are in line with our expectations of trading in the current retail environment. We continue to focus on and closely monitor our working capital assets.

Total liabilities have increased by $33.05 million, primarily due to an increase in trade and other payables of $128.92 million relative to prior year. This is offset by the reduction in interest-bearing liabilities by $112.31 million, from $820.28 million in the previous year to $707.97 million at balance date. Net cash flows from operating activities increased from $239.22 million in the previous year to $338.94 million for the year ended 30 June 2014, an increase of $99.72 million or 41.7%. The higher net cash flows received from operating activities was used to repay borrowings from external parties, including the repayment of the $85.00 million Working Capital Facility in February 2014. The overall debt levels of the consolidated entity remain low, resulting in a low net debt to equity ratio from 27.69% in the prior year to 22.40% as at 30 June 2014.

Capital Management Policy

The objective of the consolidated entity's capital management policy is to create long-term sustainable value for shareholders and avoid adverse short-term decision making, whilst maintaining optimal returns to shareholders and benefits to other stakeholders. The aim is to maintain a capital structure utilising the lowest cost of capital available to the consolidated entity. The capital structure of the consolidated entity consists of debt which includes borrowings disclosed in Notes 17 and 20 Interest-Bearing Loans and Borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 23, 24 and 25 respectively. Capital management is monitored through the debt to equity ratio and the target for the consolidated entity's debt to equity ratio is a tolerance level of up to 50%. Borrowings for the consolidated entity consist primarily of bank debt with a syndication of four banks trading in Australia (three of which are part of the "Big Four" Australian banks). Concentration risk is minimised by staggering renewal/maturity dates with tenures of 1, 3 and 5 year funding. Interest rate risk is mitigated with the utilisation of interest rate swaps.

Business Strategies, Future Prospects and Likely Developments

The OFR sets out information on the business strategies and prospects for future financial years, and refers to likely developments in the consolidated entity's operations. Information in the OFR is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years for the consolidated entity. Detail on risks that could give rise to likely material detriment to the consolidated entity where the information that is commercially sensitive, confidential, or could give a third party a commercial advantage has not been included. Similarly, other than the information set out in the OFR, information about other likely developments in the consolidated entity's operations and the expected results of those operations in future financial years has not been included.

DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review (OFR) (continued)

The Company's objective is to deliver attractive returns to shareholders by growing market share and improving profitability. It seeks to achieve this objective through the execution of the following strategies:

Omni Channel
The Company has invested in systems, processes and people, enabling an Omni Channel service offering across the network of Harvey Norman complexes. The strategy aims to align and integrate the customer experience across digital interfaces and physical complexes. The physical complexes are also distribution centres and provide Harvey Norman customers with consistent high quality service and products regardless of their location. With an extensive network of complexes, Harvey Norman is positioned as a leading Australian integrated retail network.

Customers are provided with a uniform Harvey Norman experience whether they use "click and collect", transact online, or visit stores. The online store includes "Live Chat" customer service with individuals based in Australia.

Among its many features, the Omni Channel strategy allows customers to apply for finance online that can subsequently be used when purchasing products in-store or online.

Integrated Retail, Franchise, Property and Digital System
The integrated retail, franchise, property and digital system strengthens the Company's competitive position by offering financial stability. With a balance sheet underpinned by a $2.29 billion portfolio of property, Harvey Norman is able to provide tactical support where necessary to preserve its brand and competitive position. The portfolio creates economies of scale and operational cost efficiencies in addition to enhancing the Company's negotiation power in the property sector.

Property ownership also facilitates increased operational agility. The Company is able to develop and reconfigure its complexes to meet evolving consumer demand for various product categories, particularly those that are floor-space intensive, without the need to seek landlord consent.

Through effective property management, the Company attempts to attract more customers into stores by ensuring a high quality, cross beneficial tenancy mix.

Customer Service and Engagement
Significant resources have been invested to implement and monitor staff training, customer satisfaction levels and initiatives to improve the level of service provided. The Company's objective is for customers to associate the Harvey Norman brand with industry-leading product expertise and standards of customer service, implicit in the Harvey Norman "Customer First" program.

The Company has developed online training programs for all sales personnel with key performance indicators relating to training attendance and results. In-house training complements product training provided by the Company's suppliers.

The Company monitors the quality of its service through an ongoing mystery shopper program and by collecting customer feedback. By leveraging the omni channel strategy, the Company has been able to more efficiently collect higher volumes of customer feedback. Over recent years, feedback from both the mystery shopping program and customers has steadily improved.

Operational Efficiencies
Harvey Norman invests in systems, technology and processes to improve profitability and create operational efficiencies. Over the next twelve months, the Company expects that it will address supply-chain efficiencies to enhance the productivity in the franchisee's businesses.

One of these projects is a merchandise, inventory and supplier management system which is intended to improve the Company's back-end capabilities.

The second project to be introduced in the 2015 financial year is workforce productivity improvement. The technology used in the project will initially monitor staff time and attendance to provide optimised rostering for franchisees by leveraging data relating to customer traffic and sales.

Supply Chain Insight
Over many years, the Company has developed close relationships with a range of high quality suppliers. As a result, the company benefits from industry-leading insight into emerging product and consumer trends. This assists the Company to plan for shifts in market trends.

DIRECTORS' REPORT (CONTINUED)

Operating and Financial Review (OFR) (continued)

Outlook

The Company's performance over the medium term will be underpinned by a robust outlook for the Australian housing market coupled with a continued commitment to the integrated retail, franchise, property and digital system.

With conservative gearing levels and a net asset base that has more than doubled over the last ten years, Harvey Norman is well-placed to capitalise on growth opportunities as they arise. The Company's expansive property portfolio is a real competitive strength.

Favourable trends are evident in the Australian housing market, and the Company is positioned to harness its market-leading position in homemaker product categories to build additional market share. The local housing market is supported by solid fundamentals, with recent ABS data indicating an 11% increase in new dwelling commencements in 2013. Industry forecasts suggest growth of a further 7% in 2014. It is particularly encouraging that the recovery in housing starts has been driven largely by growth in the New South Wales state economy, where more than 35% of Harvey Norman complexes are located. Housing starts are expected to remain at levels that are high relative to recent years in both New South Wales and Australia-wide through to at least the end of FY16*.

There is also evidence of an uptick in the renovations market as consumers are increasingly willing to spend on their existing homes. After growing at an annual rate of just 1.5% in early 2013, growth in household consumption expenditure accelerated to more than 2.6% by the end of the year. Renovations investment is now projected to grow by 3.2% in 2014 and sustain continued growth for the subsequent three years*.

Continued development of the Omni Channel strategy, together with initiatives to improve the efficiency of the business, provide for an optimistic outlook for Harvey Norman in an improving environment.

* HIA Housing Forecast Update, May 2014

Summary of Key Business Risks

The Board is cautiously optimistic about the consolidated entity's future trading performance but acknowledges that there are several factors that may pose a risk to the achievement of the business strategies and future financial performance as outlined in the Outlook section above:

(i) Deterioration in macroeconomic conditions resulting in a fall in consumer sentiment:

There are a number of general economic conditions, including interest and exchange rate movements, economic and political instability and government fiscal, monetary and regulatory policies, that have the ability to impact the level of consumer confidence and discretionary retail spending, thereby affecting revenue from sales to customers and franchise fees. The Board continues to focus on, develop and enhance the Harvey Norman omni channel strategy.

(ii) Competition and discounting resulting in a loss of market share for franchisees in Australia:

Whilst the destabilising effect of extreme price discounting from competitors has eased relative to prior year, the categories in which many of the franchisees operate, particularly AV/IT, remain competitive. Unlike many competitors that are solely exposed to the challenging AV/IT category, the businesses of the vast majority of franchisees operate in many other different product categories, each of which continues to perform strongly including the homemaker retail categories. Each Franchisor provides support from time to time, tactically, to relevant franchisees to preserve and enhance the Harvey Norman brand.

(iii) Price deflation:

Deflationary pressure has negatively affected the AV/IT categories in recent years and remains a potential risk. The continued improvement and investment in technology, style and product offer by franchisees is driving strong customer demand. AV/IT franchisees are excited about the launch of next generation, big screen and connected device televisions which should be a benefit to AV/IT franchisees.

(iv) Emergence of competitors in new channels:

Harvey Norman remains focussed and committed to the successful execution of the Omni Channel strategy, including development and deployment of the digital platform. Online operations of franchisees in Australia and the company in New Zealand have grown substantially and the digital platform is creating new opportunities for growth and new ways to engage with consumers. The Omni Channel strategy sets the Harvey Norman brand apart from other online and digital competitors as the digital, physical complex and distribution channels are fully integrated, providing consumers with a multitude of options to meet their needs. The customer is the focal point of the Omni Channel strategy.

Operating and Financial Review (OFR) (continued)

(v) Uncertainty in the property sector leading to falling market rentals, softening property asset values and reduction of future capital returns on property assets:

With a property portfolio of $2.29 billion, the consolidated entity is exposed to potential reductions in property values within the bulky goods sector. The consolidated entity continues to adopt a selective and prudent acquisition and development strategy and maintains high-quality buildings and a solid, dynamic, cross-beneficial tenancy mix in order to maximise the profitability of the property segment.

(vi) Counterparty risks of service providers:

This risk relates to the inability of service providers to meet their obligations. The consolidated entity intensively monitors and evaluates performance of external service providers to mitigate counterparty risk.

Breakdown of Owned and Leased Sites

The below table provides the number of owned and leased sites for franchised complexes in Australia and company-operated stores in New Zealand, Slovenia, Croatia, Ireland, Northern Ireland, Singapore and Malaysia as at 30 June 2014, trading under the Harvey Norman, Domayne and Joyce Mayne brand names.

30 June 2014	Number of Owned Sites	Number of Leased Sites *	Total
Australia: Franchised complexes	80	118	**198**
New Zealand	17	18	**35**
Slovenia	5	-	**5**
Croatia	-	1	**1**
Ireland & Northern Ireland	-	14	**14**
Asia	-	27	**27**
TOTAL	102	178	280

* leased from external parties

New Store Openings and Closures

Franchised Complexes in Australia

No new franchised complexes commenced trading during the current year.

We continue to assess the viability of the franchised complexes and closed eight (8) stores during the current year.

There were 198 franchised complexes in Australia as at 30 June 2014 under the following brand names:
- Harvey Norman 170
- Domayne 17
- Joyce Mayne 11

Company-Operated Store Openings and Closures in Offshore Markets

As at 30 June 2014 there were 82 company-operated stores located in offshore markets.

Two (2) new stores were opened in New Zealand located at Hornby and Tauranga (both in November 2013), bringing the total number of stores in New Zealand to thirty-five (35) trading under the Harvey Norman brand name.

Two (2) new stores were opened in Singapore located at Djitsun Mall (July 2013) and Bedok Point (June 2014) and one (1) store was closed in Suntec City Mall (January 2014). There were fourteen (14) stores in total in Singapore trading under the Harvey Norman brand name.

Two (2) new stores were opened in Malaysia located at Gurney Paragon (July 2013) and Nu Sentral (May 2014). There were thirteen (13) stores in total in Malaysia trading under the Harvey Norman brand name.

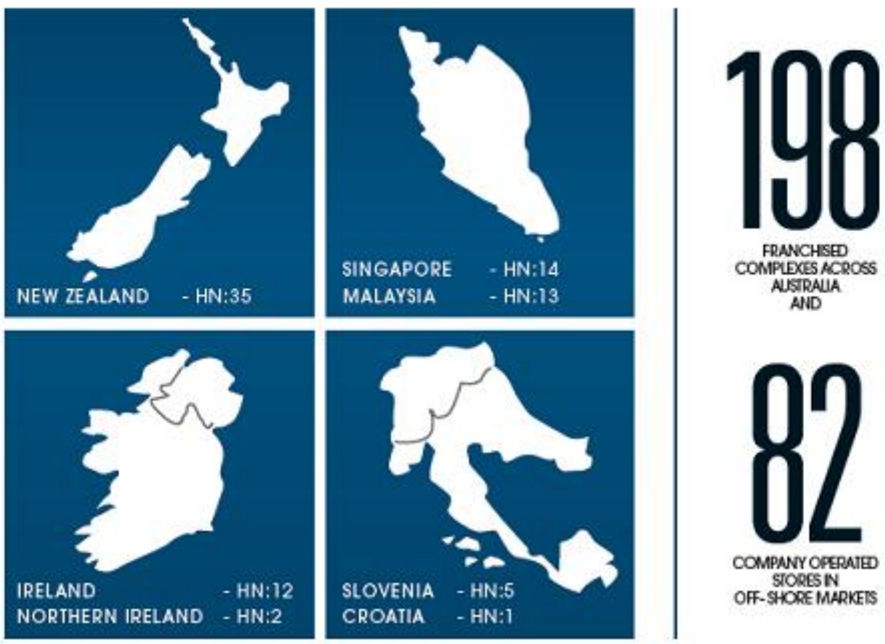
There were no store openings or closures in Ireland (12 stores in total), Slovenia (5 stores in total), Northern Ireland (2 stores in total) and Croatia (1 store) during the year ended 30 June 2014.

Directors' Report (continued)

Operating and Financial Review (OFR) (continued)

Geographic Spread

This diagram displays the geographic spread of the Harvey Norman ("HN"), Domayne ("DM") and Joyce Mayne ("JM") franchised complexes in the Australian market and the Harvey Norman company-operated stores in New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia as at 30 June 2014.



DIRECTORS' REPORT (CONTINUED)
Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2014 outlines the remuneration arrangements of the consolidated entity in accordance with the requirements of the *Corporations Act 2001* ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

For the purposes of this report, the term "executive" includes the Chief Executive Officer ("CEO"), executive directors and other senior executives of the consolidated entity.

The remuneration report is presented under the following sections:
- Individual key management personnel disclosures
- Remuneration at a glance
- Board oversight of remuneration
- Non-executive director remuneration arrangements
- Executive remuneration arrangements
- Company performance and the link to remuneration
- Executive contractual arrangements
- Relationship between remuneration and performance of the Company

Individual Key Management Personnel Disclosures
Details of KMP of the Company and consolidated entity are set out below.

Key Management Personnel

(i) Directors

Gerald Harvey	Executive Chairman
Kay Lesley Page	Executive Director and Chief Executive Officer
John Evyn Slack-Smith	Executive Director and Chief Operating Officer
David Matthew Ackery	Executive Director
Chris Mentis	Executive Director, Chief Financial Officer and Company Secretary
Christopher Herbert Brown OAM	Non-Executive Director
Michael John Harvey	Non-Executive Director
Ian John Norman	Non-Executive Director – passed away and ceased being a director of the Company on 29 May 2014
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)
Graham Charles Paton AM	Non-Executive Director (Independent)

(ii) Executives

Martin Anderson	General Manager – Generic Publications Pty Limited
Rodney Orrock	General Manager – Domayne
Thomas James Scott	General Manager – Property
Gordon Ian Dingwall	Chief Information Officer

Remuneration At A Glance

The remuneration strategy of the consolidated entity is designed to attract, motivate and retain employees and non-executive directors ("NEDs") by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the consolidated entity, and align the interests of executives and shareholders. The remuneration policy is to position total employment cost ("TEC") close to the median of its defined talent market to ensure a competitive offering.

During the year, the Board of the Company adopted an executive short-term incentive plan in respect of the 2014 financial year (the "2014 STI Plan"), that provided for the payment of an aggregate maximum bonus amount or performance cash incentive ("2014 STI Plan PCI") to five (5) named executive directors subject to a combination of financial and non-financial conditions ("2014 STI Plan Performance Conditions"), and subject to satisfaction of service conditions ("2014 STI Plan Service Conditions").

For the year ended 30 June 2014, the aggregate maximum amount of 2014 STI Plan PCI, potentially payable, was $2,000,000 as follows:
(i) in respect of the First Executive, Gerald Harvey, $280,000;
(ii) in respect of the Second Executive, Kay Lesley Page, $520,000;
(iii) in respect of the Third Executive, John Evyn Slack-Smith, $450,000;
(iv) in respect of the Fourth Executive, David Matthew Ackery, $450,000; and
(v) in respect of the Fifth Executive, Chris Mentis, $300,000.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The 2014 STI Plan Performance Conditions were substantially achieved and 90.5% of the aggregate maximum 2014 STI Plan PCI became payable, subject to satisfaction of 2014 STI Plan Service Conditions. The aggregate amount of 2014 STI Plan PCI is $1,810,000, and will be paid on 30 September 2014, or as soon as reasonably practicable after that date, subject in the case of each executive director, to satisfaction of 2014 STI Plan Service Conditions. Further information about the 2014 STI Plan Performance Conditions is set out on page 25 of this Remuneration Report.

During the year, the Board of the Company adopted an executive long-term incentive term plan (the "2014 LTI Plan"), that provided for the payment of an aggregate maximum bonus amount, in the form of a long-term performance cash incentive, to five (5) named executive directors, subject to a combination of financial and non-financial conditions ("2014 LTI Plan Performance Conditions") and service conditions ("2014 LTI Plan Service Conditions"). The 2014 LTI Plan provides for the provision of performance cash incentive benefits to five (5) executive directors in respect of three (3) discrete tranche periods as follows:

(i) a first tranche period in respect of the financial year ending 30 June 2014 (the "First Tranche of 2014 LTI Plan PCI");
(ii) a second tranche period in respect of the financial year ending 30 June 2015 (the "Second Tranche of 2014 LTI Plan PCI"); and
(iii) a third tranche period in respect of the financial year ending 30 June 2016 (the "Third Tranche of 2014 LTI Plan PCI").

For the year ended 30 June 2014, the First Tranche of 2014 LTI Plan PCI consisted of an aggregate maximum bonus amount of $3,700,000 as follows:

(i) in respect of the First Executive, Gerald Harvey, $470,000;
(ii) in respect of the Second Executive, Kay Lesley Page, $880,000;
(iii) in respect of the Third Executive, John Evyn Slack-Smith, $800,000;
(iv) in respect of the Fourth Executive, David Matthew Ackery, $800,000; and
(v) in respect of the Fifth Executive, Chris Mentis, $750,000.

The performance hurdles and conditions for the First Tranche of 2014 LTI Plan PCI were substantially achieved and 90.5% of the 2014 LTI Plan PCI was determined to meet the 2014 LTI Plan Performance Conditions, subject to the 2014 LTI Plan Service Conditions, and other terms and conditions of the 2014 LTI Plan. The aggregate amounts of 2014 LTI Plan PCI, in the sum of $3,348,500, in respect of the First Tranche of 2014 LTI Plan PCI, is to be paid on 30 June 2017, subject to satisfaction of 2014 LTI Plan Service Conditions and other terms and conditions of the 2014 LTI Plan. Further information about the 2014 LTI Plan Performance Conditions is set out on page 26 of this Remuneration Report.

The 2010 Share Option Plan remains in existence and is comprised of long-term incentive awards in the form of share options issued to executive directors in previous periods. No options were issued pursuant to the 2010 Share Option Plan during the 2014 financial year.

On 23 November 2010, shareholders of the Company in general meeting approved the 2010 Share Option Plan consisting of the grant of 3,000,000 options to subscribe for 3,000,000 fully paid ordinary shares in the Company to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, subject to terms and conditions of the 2010 Share Option Plan. The terms and conditions included the following provisions:

(i) up to one third of the options will be granted within seven (7) days of the meeting and will be exercisable between 1 January 2014 and 30 June 2016 (the "First Tranche of Options");
(ii) up to one third of the options will be granted within seven (7) days of the first anniversary of the meeting and will be exercisable between 1 January 2015 and 30 June 2017 (the "Second Tranche of Options"); and
(iii) up to one third of the options will be granted within seven (7) days of the second anniversary of the meeting and will be exercisable between 1 January 2016 and 30 June 2018 (the "Third Tranche of Options").

Table 3 on page 35 of this Remuneration Report summarises the option holdings of executive directors pursuant to the 2010 Share Option Plan.

The remuneration of non-executive directors of the Company consists only of directors' fees. Director fees were maintained at a similar level to the prior year.

Board Oversight of Remuneration

Remuneration Committee

The remuneration committee is responsible for making recommendations to the board on the remuneration arrangements for executive directors and NEDs.

The remuneration committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In determining the level and composition of executive remuneration, the remuneration committee has not engaged external consultants to provide independent advice or make any remuneration recommendation.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

The remuneration committee comprises three NEDs, two of whom are independent NEDs. Further information on the committee's role, responsibilities and membership can be seen at www.harveynormanholdings.com.au.

Remuneration Approval Process
The board approves the remuneration arrangements of the CEO and executives and all awards made under the LTI, following recommendations from, and certain determinations by, the remuneration committee. The board sets the aggregate remuneration of NEDs, subject to shareholder approval.

The remuneration committee approves, having regard to the recommendations made by the CEO, the level of the consolidated entity STI pool, in the form of PCI, for executive directors.

No director may participate in deliberations about, or decisions, in respect of the remuneration of that director.

No executive director was present at any meeting of directors which considered the 2014 STI Plan and the 2014 LTI Plan, and no executive director voted on those matters.

Remuneration Strategy
The remuneration strategy of the consolidated entity is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the consolidated entity.

To this end, key objectives of the reward framework of the consolidated entity are to ensure that remuneration practices:
- are aligned to the business strategy of the consolidated entity
- offer competitive remuneration benchmarked against the external market
- provide strong linkage between individual and consolidated entity performance and rewards
- align the interests of executive directors with shareholders through the LTI

Remuneration Structure
In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

Non-Executive Director Remuneration Arrangements

Remuneration Policy
The board seeks to set aggregate remuneration at a level that provides the consolidated entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The board considers published material from external sources and makes its own enquiries when undertaking the annual review process.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2006 annual general meeting (AGM) held on 21 November 2006 when shareholders approved an aggregate NED pool of $1,000,000 per year.

The board will not seek any increase for the NED pool at the 2014 AGM.

Structure
The remuneration of NEDs consists of directors' fees. NEDs do not receive retirement benefits, nor do they participate in any incentive programs. Each NED receives a fee for being a director of the Company. The structure of NED remuneration is separate and distinct from executive remuneration. The remuneration of NEDs for the year ended 30 June 2014 and 30 June 2013 are disclosed in Table 1 on page 33 of this report.

Executive Remuneration Arrangements

Remuneration Levels and Mix
The consolidated entity aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity and to align operations with strategy.

The policy of the consolidated entity is to position total employment cost (TEC) so as to ensure a competitive offering. Total reward opportunities are between the 50^{th} and 100^{th} percentile of the comparator group. The Company and the consolidated entity undertakes an annual remuneration review to determine the total remuneration of executives having regard to the circumstances of the consolidated entity.

Remuneration Report (Audited) (continued)

The CEO's target remuneration mix comprises approximately 60% fixed remuneration, 15% target STI opportunity and 25% target LTI opportunity. The target remuneration mix for executive directors ranges from 48% to 60% fixed remuneration, 15% to 19% target STI opportunity and 25% to 38% target LTI opportunity.

Structure
In the 2014 financial year, the executive remuneration framework consisted of the following components:
- Fixed remuneration
- Variable remuneration

The table below illustrates the structure of the executive remuneration arrangements of the consolidated entity:

Remuneration component	Method	Purpose	Link to performance
Fixed remuneration	▪ Represented by total employment cost (TEC). ▪ Comprises base salary, superannuation contributions and other benefits.	▪ Set with reference to role, market and experience. ▪ Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the consolidated entity.	▪ No link to company performance.
Short-term incentive component	▪ Paid in cash, as a performance cash incentive.	▪ Rewards executives for their contribution to the achievement of consolidated entity and business unit outcomes, as well as individual key performance indicators (KPIs).	▪ Linked to financial and non-financial performance measures including achievement of improved customer experience, improved franchisee productivity, franchisee inventory and supply chain management, environment and energy efficiency targets and learning, development and growth.
Long-term incentive component – PCI	▪ Paid in cash, as a performance cash incentive.	▪ Rewards executives for their contribution to the achievement of predetermined financial and non-financial measures and for their long-term tenure with the consolidated entity.	▪ Linked to financial and non-financial performance measures including achievement of improved customer experience, improved franchisee productivity, franchisee inventory and supply chain management, environment and energy efficiency targets and learning, development and growth.
Long-term incentive component – share options	▪ Awards are made in the form of options pursuant to the 2010 Share Option Plan.	▪ Rewards executive directors (except for Chairman, Mr. G. Harvey and CEO, Ms. K.L. Page) for their contribution to the creation of shareholder value over the longer term.	▪ Vesting of awards is dependent on satisfaction of terms and conditions of the 2010 Share Option Plan.

Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increases. TEC of executive directors is reviewed annually by the remuneration committee. The process consists of a review of Company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

The fixed component of the remuneration of executive directors is disclosed in Table 1 on page 33 of this report.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Variable Remuneration – Short-Term Incentive (STI)

STI awards, in the form of a cash bonus or performance cash incentive ("PCI") have been made annually to executive directors in order to align remuneration with the achievement of a number of performance measures, targets and initiatives covering both financial and non-financial, corporate and individual measures of performance. The target STI opportunity is set at a level so as to provide sufficient incentive to executive directors to achieve the operational targets and such that the cost to the consolidated entity is reasonable in the circumstances.

For the year ended 30 June 2014, the aggregate maximum amount of 2014 STI Plan PCI, potentially payable, was $2,000,000 as follows:
(i) in respect of the First Executive, Gerald Harvey, $280,000;
(ii) in respect of the Second Executive, Kay Lesley Page, $520,000;
(iii) in respect of the Third Executive, John Evyn Slack-Smith, $450,000;
(iv) in respect of the Fourth Executive, David Matthew Ackery, $450,000; and
(v) in respect of the Fifth Executive, Chris Mentis, $300,000.

The payment of the 2014 STI Plan PCI to an executive under the 2014 STI Plan is to be made on 30 September 2014, or as soon as reasonably practicable after that date, subject to the satisfaction of 2014 STI Plan Performance Conditions and 2014 STI Plan Service Conditions. The Performance Conditions will be tested collectively and will comprise both the Financial Condition and Non-Financial Conditions. The Remuneration Committee (acting on behalf of the Company) may at any time, in its absolute discretion, decrease the amount of the PCI which is, or may become, payable to an executive under the 2014 STI Plan by serving a written notice to the relevant executive at any time before the payment date.

The primary weighting of the 2014 STI Plan Performance Conditions in calculating the 2014 STI Plan PCI payable to an executive is as follows:
(a) as to 20% - the Financial Condition; and
(b) as to 80% - the Non-Financial Conditions

(i) Financial Condition of the 2014 STI Plan

The Financial Condition will be:
(a) partly satisfied if the APBT is 12.5% or more of the Net Assets;
(b) wholly-satisfied if the APBT is 15% or more of the Net Assets

Where:
- APBT means the equivalent amount to the annual net profit before income tax of the Company, for the financial year ended 30 June 2014, but excluding any amounts accounted for in those financial statements for increments or decrements arising from any revaluation of land and buildings.
- Net Assets means the net assets as at 30 June 2013 as described in the statement of financial position published in the annual report of the Company for the financial year ended 30 June 2013.

The Financial Condition of the 2014 STI Plan, will be satisfied as to:
(a) 50% if the APBT is greater than or equal to 12.5%, but less than 13% of the Net Assets;
(b) 60% if the APBT is greater than or equal to 13%, but less than 13.5% of the Net Assets;
(c) 70% if the APBT is greater than or equal to 13.5%, but less than 14% of the Net Assets;
(d) 80% if the APBT is greater than or equal to 14%, but less than 14.5% of the Net Assets;
(e) 90% if the APBT is greater than or equal to 14.5%, but less than 15% of the Net Assets;
(f) 100% if the APBT is greater than or equal to 15% of the Net Assets.

The extent to which the Financial Condition is satisfied will be documented in a Performance Report and an Internal Audit Report, for consideration by the Remuneration Committee in accordance with the terms and conditions of the 2014 STI Plan.

(ii) Non-Financial Conditions of the 2014 STI Plan

There are common measures, targets and initiatives in respect of each of the 2014 STI Plan and the First Tranche of the 2014 LTI Plan. Refer to page 28 for a description of these Non-Financial Performance Conditions. The measures, targets and initiatives to be executed by executive directors in respect of the proposed 2015 long term incentive plan are presently being reviewed and refined, consistent with Company strategy. Those measures, targets and initiatives will not necessarily be the same as the measures, targets and initiatives of the 2014 STI Plan and the First Tranche of the 2014 LTI Plan, although there will be some common elements.

Remuneration Report (Audited) (continued)

(iii) Service Conditions of the 2014 STI Plan

The 2014 STI Plan Service Conditions will be deemed to be satisfied, if and only if, as at the relevant payment date being 30 September 2014:
(a) The Executive has not resigned or provided notice of resignation of employment from the Employer, except in order to retire from the workforce;
(b) The Employer has not terminated the employment of the Executive for cause; or
(c) The Board has not determined that the incentives should be revoked or lapse as a result of any breach of the law, corrupt conduct, bribery, fraud, gross misconduct or conduct of the Executive which brings the Company or the Employer into disrepute.

STI Awards for 2013 and 2014 Financial Years

For the 2013 financial year, the aggregate amount of the short term PCI, as previously accrued in that period, vested in executive directors and a total of $1,425,000 was paid in the 2014 financial year. There were no forfeitures. The remuneration committee approved the short term PCI payments for the 2013 financial year in September 2013.

For the 2014 financial year, $1,810,000 being 90.5% of the aggregate maximum 2014 STI Plan PCI of $2,000,000, as previously accrued in that period, vested in executive directors and is to be paid in the 2015 financial year. There were no forfeitures. The remuneration committee considered the 2014 STI Plan PCI payments for the 2014 financial year in September 2014.

Variable Remuneration – Long-Term Incentives (LTI)

LTI awards have been made annually to executive directors in order to align remuneration with the creation of shareholder value over the long-term. LTI awards are only made to executive directors who have an impact on the performance of the consolidated entity against relevant long-term performance measures.

LTI Plan – Long-Term Performance Cash Incentive ("PCI")

For the year ended 30 June 2014, the First Tranche of 2014 LTI Plan PCI consisted of an aggregate maximum bonus amount of $3,700,000 as follows:
(i) in respect of the First Executive, Gerald Harvey, $470,000;
(ii) in respect of the Second Executive, Kay Lesley Page, $880,000;
(iii) in respect of the Third Executive, John Evyn Slack-Smith, $800,000;
(iv) in respect of the Fourth Executive, David Matthew Ackery, $800,000; and
(v) in respect of the Fifth Executive, Chris Mentis, $750,000.

The payment of the First Tranche of 2014 LTI Plan PCI to an executive under the 2014 LTI Plan is to be made on 30 June 2017, subject to the satisfaction of 2014 LTI Plan Performance Conditions and 2014 LTI Plan Service Conditions. The performance conditions will be tested collectively and will comprise both the Financial Condition and Non-Financial Conditions.

The primary weighting of the 2014 LTI Plan Performance Conditions in calculating the 2014 LTI Plan PCI payable to an executive is as follows:
(a) as to 20% - the Financial Condition; and
(b) as to 80% - the Non-Financial Conditions

(i) Financial Condition of the First Tranche of 2014 LTI Plan PCI

In respect of a Tranche Period, the Financial Condition in respect of that Tranche Period, will be:
(a) partly satisfied if the APBT is 12.5% or more of the Net Assets;
(b) wholly-satisfied if the APBT is 15% or more of the Net Assets

Where:
- APBT means the equivalent amount to the annual net profit before income tax of the Company, for the financial year ended 30 June 2014, but excluding any amounts accounted for in those financial statements for increments or decrements arising from any revaluation of land and buildings.
- Net Assets, in respect of the First Tranche of PCI, is the net assets as at 30 June 2013 as described in the statement of financial position published in the annual report of the Company for the financial year ended 30 June 2013.

Remuneration Report (Audited) (continued)

In respect of a Tranche Period, the Financial Condition in respect of that Tranche Period, will be satisfied as to:
(a) 50% if the APBT in respect of that Tranche Period is greater than or equal to 12.5%, but less than 13% of the Net Assets in respect of that Tranche Period;
(b) 60% if the APBT in respect of that Tranche Period is greater than or equal to 13%, but less than 13.5% of the Net Assets in respect of that Tranche Period;
(c) 70% if the APBT in respect of that Tranche Period is greater than or equal to 13.5%, but less than 14% of the Net Assets in respect of that Tranche Period;
(d) 80% if the APBT in respect of that Tranche Period is greater than or equal to 14%, but less than 14.5% of the Net Assets in respect of that Tranche Period;
(e) 90% if the APBT in respect of that Tranche Period is greater than or equal to 14.5%, but less than 15% of the Net Assets in respect of that Tranche Period;
(f) 100% if the APBT in respect of that Tranche Period is greater than or equal to 15% of the Net Assets in respect of that Tranche Period.

In respect of each Tranche Period, the extent to which the Financial Condition is satisfied will be documented in a Performance Report and an Internal Audit Report, for consideration by the Remuneration Committee in accordance with the terms and conditions of the 2014 LTI Plan.

(ii) Non-Financial Conditions of the First Tranche of 2014 LTI Plan PCI

The Board will set several Non-Financial Conditions in respect of each Tranche Period. The Board will weight each of the Non-Financial Conditions in respect of each Tranche Period so that if only some of the Non-Financial Conditions are achieved, then only that proportion of the annual maximum bonus amount equivalent to the weighting allocated to the achieved Non-Financial Conditions, will be payable. The Board may change the description or weighting, or both, of the Non-Financial Conditions for any Tranche Period. In absence of any change, the Non-Financial Conditions for the Second Tranche of PCI and the Third Tranche of PCI shall be the same as those set out for the First Tranche of PCI.

Before each Review Date:
(a) The CEO will prepare a report in respect of the relevant Tranche Period addressing whether each weighted Non-Financial Condition has been satisfied or, where relevant, the extent (expressed as a percentage) to which each weighted Non-Financial Condition has been satisfied ("Performance Report");
(b) The Performance Report will be audited by the Chief Internal Auditor of the Company, who will document the findings of his or her audit in a report ("Internal Audit Report");
(c) Both the Performance Report and the Internal Audit Report will be delivered to the Remuneration Committee for consideration.

The Remuneration Committee, having regard to certificates and reports from officers of the Company or the Employer, or both, and sub-committees of the Board, including the Performance Report and Internal Audit Report, will make a final determination in respect of each executive as to:
(a) Whether, where relevant, the extent (expressed as a percentage) to which each weighted Non-Financial Condition has been satisfied;
(b) The overall Performance Conditions Percentage in respect of the Non-Financial Conditions; and
(c) The quantum of the Bonus Amount payable to each Executive under the LTI Plan, for the relevant Tranche Period.

The Non-Financial Performance Conditions are set out in the table on the following page.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Non-Financial Conditions of the First Tranche of 2014 LTI Plan PCI:

Measure	Target	Primary Weighting	Initiatives and Conditions	Initiatives and Conditions Weighting
Customer experience	Promote the "Shop with Confidence" Harvey Norman franchisee brand position	20%	Achieve an aggregate satisfaction rating of no less than 70% from customer experience surveys.	70%
			Achieve at least a 10% reduction in the number of total consumer complaints against franchisees in FY2014 over the prior year.	30%
Improve franchisee productivity	Provide franchisees with licences to use tools to assist franchisees to improve franchisee productivity	15%	Each of 6 franchisees to successfully pilot a time and attendance and rostering system in 6 franchisee complexes by 30 June 2014, within approved budgets. On or before 30 June 2014, review and approve a business case for each franchisee to implement a Work Force Management Solution for that franchisee.	25%
			Integrated EFTPOS payment terminals to be implemented by all franchisees in all franchise complexes by 30 June 2014.	25%
			Each franchisee in each franchise complex to implement voice and data software applications by 31 March 2014.	50%
Franchisee inventory & supply chain management	Improvements in efficiency by franchisees in franchisee supply chain systems	20%	Supplier portal & EDI functionality available for use by franchisees with 300 suppliers by 30 June 2014.	50%
			Manual product supplier interface ("PSI") available for use by TV and computer hardware franchisees by 30 June 2014.	50%
Environment & community	Harvey Norman franchisees to achieve a leadership position in recycling and energy efficiency	10%	Franchisees to provide a recycling service at franchise complexes for customer computers, TVs and whitegoods by 30 June 2014.	100%
Learning, development & growth	Franchisees to establish new systems and processes that promote measurable improvement in the knowledge and capability of franchisees and their employees within Australia & employees within New Zealand	15%	Franchisees to implement a learning management system (LMS) within approved budgets by 31 December 2013.	50%
			Franchisees to develop & implement content for the LMS by identified role, identified project, within approved budgets and achieve an aggregate participation rate of 80% by 30 June 2014.	50%

(iii) Service Conditions of the First Tranche of 2014 LTI Plan PCI

The 2014 LTI Plan Service Conditions in respect of an Executive will be deemed to be satisfied, if and only if, as at the relevant Payment Date:

(a) The Executive has not resigned or provided notice of resignation of employment from the Employer, except in order to retire from the workforce;
(b) The Employer has not terminated the employment of the Executive for cause; or
(c) The Board has not determined that the incentives should be revoked or lapse as a result of any breach of the law, corrupt conduct, bribery, fraud, gross misconduct or conduct of the Executive which brings the Company or the Employer into disrepute.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

LTI – Share Options

LTI awards to select executive directors have been made under the 2010 Share Option plan and delivered in the form of share options. Each option entitles the holder to one fully paid ordinary share in the Company. The number and terms and conditions of each issue of options to executive directors were approved by shareholders of the Company in the annual general meeting on 23 November 2010. The options will vest over a period of three years subject to meeting performance measures and service conditions. The exercise price of the options is set at the market price at the date of grant. Executive directors are able to exercise the options up to two years after vesting, before the options lapse, subject to the satisfaction of performance conditions, including service conditions, as outlined in the below table.

2010 Share Option Plan	First Tranche of Options	Second Tranche of Options	Third Tranche of Options
Grantees	John Evyn Slack-Smith David Matthew Ackery Chris Mentis	John Evyn Slack-Smith David Matthew Ackery Chris Mentis	John Evyn Slack-Smith David Matthew Ackery Chris Mentis
Grant date	29 November 2010	29 November 2011	29 November 2012
Total number of options issued	3,000,000	3,000,000	3,000,000
Exercise price of options	$3.02 per option	$2.03 per option	$1.827 per option
Exercise date	1 January 2014	1 January 2015	1 January 2016
Expiry date	30 June 2016	30 June 2017	30 June 2018
Valuation methodology	Black-Scholes methodology	Black-Scholes methodology	Black-Scholes methodology
Fair value	$0.87 per option or $2,610,000 in total	$0.51 per option or $1,530,000 in total	$0.282 per option or $846,000 in total
Performance Conditions:			
▪ Financial:	30% of total	30% of total	30% of total
	▪ Partly satisfied if the EPS growth is 10% per annum or more on a cumulative basis over the EPS in respect of the year ended 30 June 2010 ("Base Year")		
	▪ Wholly satisfied if the EPS growth is 15% per annum or more on a cumulative basis over the EPS in respect of the Base Year		
	▪ Subject to retesting in accordance with the terms and conditions of the 2010 Share Option Plan		
▪ Non-Financial:	70% of total	70% of total	70% of total
	▪ 20% = achievement of key operating priorities	▪ 20% = achievement of key operating priorities, including development of Omni Channel strategic initiatives	▪ 25% = achievement of key operating priorities, including execution of Omni Channel strategic initiatives
	▪ 20% = level of operating cash flow and operating budget	▪ 20% = level of operating working capital, inventory control and cost control generally	▪ 25% = level of operating working capital, inventory control and cost control generally
	▪ 20% = successful achievement of the integration of any specified developed or acquired business unit	▪ 20% = successful development and deployment of the digital platform of the Company	▪ 25% = improvements in customer engagement
	▪ 20% = improvements in retailing operations	▪ 20% = improvements in market share and sustainability of retail operations	▪ 25% = improvements in market share and sustainability of retailing operations
	▪ 20% = maintenance and growth of the retail property portfolio	▪ 20% = maintenance and growth of the retail property portfolio	
▪ Service:	Satisfied if at the time of exercise of an option: ▪ The grantee has not resigned or provided notice of resignation of employment from the Company, except in order to retire from the workplace; ▪ The Company has not terminated the employment of the grantee for cause; or ▪ The Board has not determined that the relevant options should lapse as a result of any fraud, gross misconduct or conduct of the grantee which brings the Company into disrepute		
Lapsed Options:	▪ (966,000) options lapsed on 13 June 2012 ▪ (900,000) options lapsed on 14 November 2013	▪ (2,250,000) options lapsed on 29 November 2012	▪ (1,299,000) options lapsed on 14 November 2013
Vested Options as at 30 June 2014	**1,134,000 options**	**Nil**	**Nil**
Outstanding Options as at 30 June 2014 *	**Nil**	**750,000 options**	**1,701,000 options**

* subject only to the satisfaction of Service Conditions

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Termination and Change of Control Provisions
Subject to ASX Listing Rules relevant options may be exercised before their specified exercise date, but only if:
(a) a change of control of the Company occurs; or
(b) in special circumstances, including retirement, redundancy, death or permanent disability of the grantee.

Where a participant ceases employment prior to the vesting of their award, the options are forfeited unless the board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Company, the performance period end date will generally be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period, subject to ultimate board discretion.

Hedging of Equity Awards
The Company prohibits executive directors from entering into arrangements to protect the value of unvested LTI awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

Adherence to this policy is monitored on an annual basis and involves each KMP signing an annual declaration of compliance with the hedging policy.

Margin Loans
If a director or executive, acting reasonably, would believe that there will be an unmet margin call or event of default in relation to any margin loan arrangements, the director or executive must immediately disclose to the Chairman, Company Secretary or Chief Executive Officer, full and complete details of the arrangement as is necessary to ensure the Company can comply with continuous disclosure obligations of the Company under ASX Listing Rules and the law.

Company Performance and the Link to Remuneration

Short Term Performance Cash Incentive ("PCI")
The aggregate amount of short term PCI for executive directors in respect of the year ended 30 June 2013 was $1,425,000. The aggregate amount of the 2014 STI Plan PCI for executive directors in respect of the year ended 30 June 2014 was $1,810,000, an increase of 27% on the previous year. The increase in short term PCI for 2014 resulted from an improvement in the achievement of predetermined financial and non-financial performance conditions and that APBT for the year ended 30 June 2014 had increased by 26.6% on the prior year. The net profit after tax of the consolidated entity in respect of the year ended 30 June 2014 increased by 48.9% on the prior year. The aggregate maximum amount of 2014 STI Plan PCI available in respect of the year ended 30 June 2014 was $2,000,000. The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, including the Performance Report and Internal Audit Report, and noted that the performance hurdles for the 2014 STI Plan were substantially achieved and 90.5% of the aggregate maximum bonus amount became payable to executive directors, subject to service conditions. The 2014 STI Plan PCI of $1,810,000 will be paid in the 2015 financial year.

LTI Plan - Performance Cash Incentive ("PCI")
The aggregate amount of the First Tranche of 2014 LTI Plan PCI payable to executive directors, in accordance with the terms and conditions of the 2014 LTI Plan, was $3,348,500 in respect of the year ended 30 June 2014. This amount represents 90.5% of the total aggregate maximum bonus amount of $3,700,000 in respect of the First Tranche of 2014 LTI Plan PCI. The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, including the Performance Report and Internal Audit Report, and noted that the performance hurdles for the First Tranche of 2014 LTI Plan PCI were substantially achieved and 90.5% of the aggregate maximum bonus amount was determined to meet the performance conditions. The First Tranche of 2014 LTI Plan PCI payable of $3,348,500 is to be paid on 30 June 2017, subject to the achievement of the 2014 LTI Plan Service Conditions.

The value recognised as remuneration for the five (5) eligible executive directors in the 2014 Remuneration Report, and accrued in the income statement for the year ended 30 June 2014, was $836,552 in aggregate. The payment date for the First Tranche of 2014 LTI Plan PCI is 30 June 2017 and all service conditions must be satisfied prior to any payment being made. The value to be recognised as remuneration to each executive director will be recognised on a straight-line basis over the service period of the First Tranche of 2014 LTI Plan PCI, from 1 July 2013 to 30 June 2017.

LTI – 2010 Share Option Plan
No options were issued to executive directors pursuant to the 2010 Share Option Plan during the year ended 30 June 2014. Options had previously been issued to executive directors (excluding the Chairman and CEO) in prior periods and Table 3 on Page 35 of this Remuneration Report summarises the option holdings of each executive director as at balance date. In prior periods, the Remuneration Committee had assessed whether the executive directors had satisfied the Financial and Non-Financial Performance Conditions set out in the 2010 Share Plan and have adjusted the number of available options for each Tranche accordingly.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

The value recognised as remuneration in the 2014 Remuneration Report attributable to the 2010 Share Option Plan for the eligible executive directors, and accrued in the income statement for the year ended 30 June 2014, was $440,577 in aggregate. The fair value of options that were issued in prior periods in respect of the First Tranche of Options, the Second Tranche of Options and the Third Tranche of Options will be recognised as remuneration and expensed in the income statement on a straight-line basis over the vesting period of the relevant Tranche.

Executive Contractual Arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are below.

Chief Executive Officer
The CEO, Ms. K.L. Page is employed under a rolling contract.

Under the terms of the present contract:
- The CEO's total employment cost ("TEC") is comprised of fixed remuneration of $2,100,000 per annum
- The CEO's maximum STI opportunity in respect of the year ended 30 June 2014 was 25% of annual TEC
- The CEO's maximum LTI opportunity in respect of the year ended 30 June 2014 was 42% of annual TEC

The CEO's termination provisions are as follows:

	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Employer-initiated termination	4 weeks	4 weeks	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	4 weeks	4 weeks	Unvested awards forfeited, subject to Board discretion	Unvested awards forfeited subject to board discretion

Minimum Shareholding Requirement
There are no minimum shareholding requirements imposed on the CEO.

Other KMPs
All other KMPs have rolling contracts.

Standard KMP Termination Provisions	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of executive director LTI on termination
Employer-initiated termination	4 weeks	4 weeks	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	4 weeks	4 weeks	Unvested awards forfeited, subject to Board discretion	Unvested awards forfeited subject to board discretion

Relationship between Remuneration and the Performance of the Company

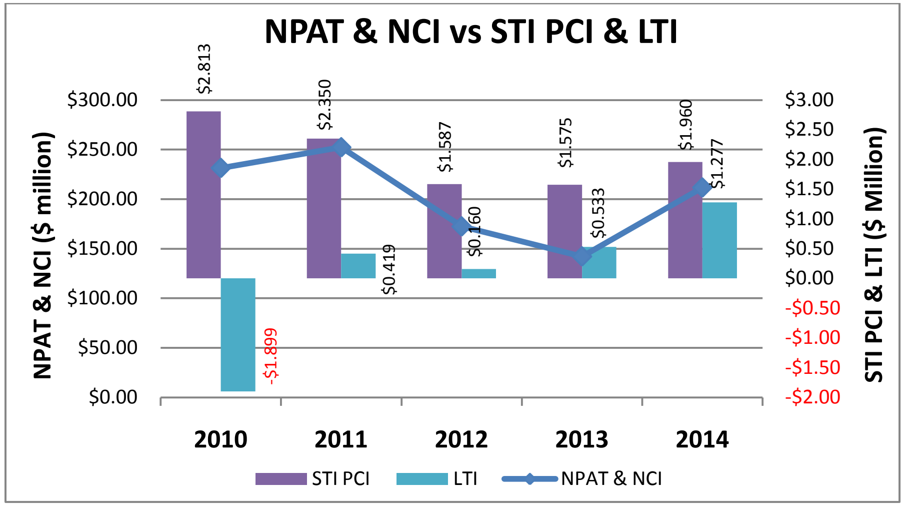
The remuneration policies of the Company are intended to motivate directors and employees to pursue relevant short-term goals, long-term growth and success of the Company. The different remuneration components disclosed in Table 1 on page 33 and Table 3 on page 35 in the Remuneration Report reflect the link between "at risk" remuneration of executives and the performance of the Company. The amount of "at risk" remuneration of an executive is wholly dependent upon satisfaction of the respective service conditions and performance conditions under each of the First Tranche of Options, Second Tranche of Options and the Third Tranche of Options.

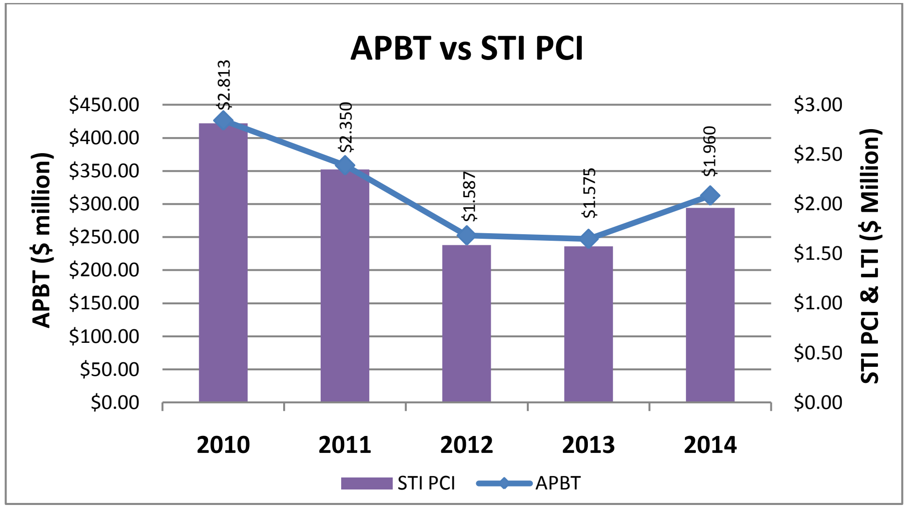
Directors' Report (continued)

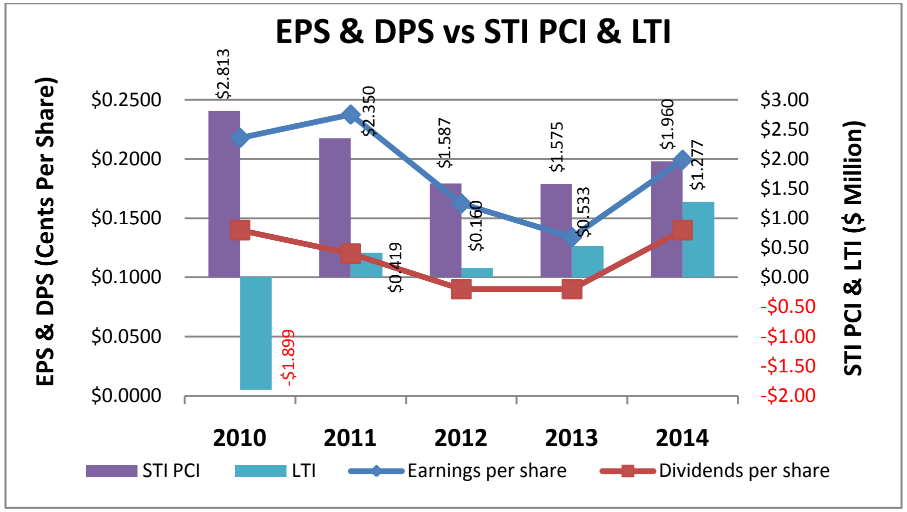
Remuneration Report (Audited) (continued)
Relationship between Remuneration and the Performance of the Company (continued)

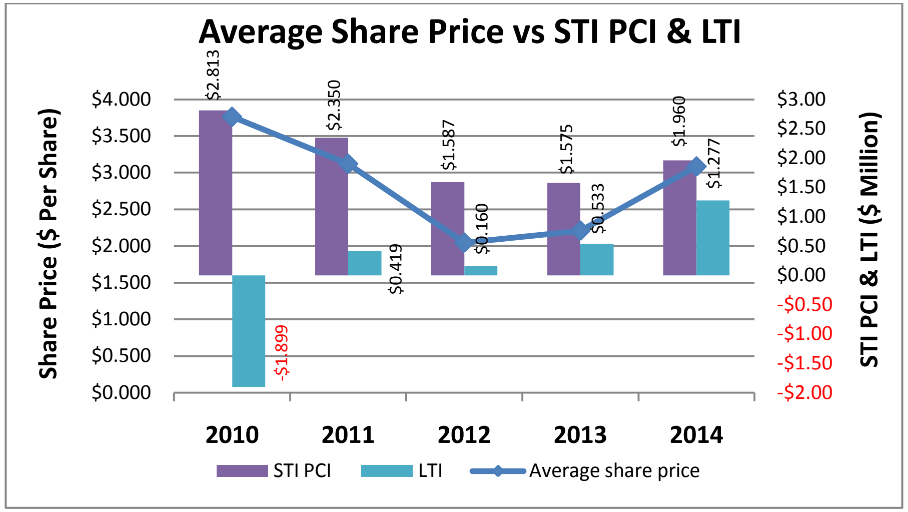
Where: NPAT & NCI = net profit after tax & non-controlling interests;
APBT = net profit before tax excluding property revaluation increments/decrements;
STI PCI = short term performance cash incentive;
LTI = long-term incentive; EPS = earnings per share; DPS = dividends per share

The graphs below illustrate the Company's performance for the past five financial years.









Directors' Report (continued)

Remuneration Report (Audited) (continued)

TABLE 1: Compensation of Key Management Personnel for the Year Ended 30 June 2014 - Directors of Harvey Norman Holdings Limited:

		Short Term Benefits				Post-Employment	Long-Term Incentive	Other	Share-Based Payments		
		Salary & fees $	Performance Cash Incentive $	Other Short-Term $	Non monetary benefits $	Superannuation $	Performance Cash Incentive $	Long Service Leave (a) $	Value of Options $	TOTAL $	% of options
G. Harvey	2014	721,825	253,400	10,400	-	17,775	106,265	-	-	1,109,665	
Executive Chairman	2013	723,130	279,300	10,400	-	16,470	-	-	-	1,029,300	-
K.L. Page	2014	2,073,491	470,600	-	8,734	17,775	198,964	-	-	2,769,564	-
Exec Director / CEO	2013	1,435,925	293,800	-	47,605	16,470	-	-	-	1,793,800	-
J.E. Slack-Smith	2014	1,232,225	407,250	-	-	17,775	180,876	20,537	146,859	2,005,522	7.3%
Exec Director / COO	2013	1,233,359	318,200	-	171	16,470	-	20,556	177,700	1,766,456	10.1%
D.M. Ackery	2014	1,214,225	407,250	18,000	-	17,775	180,876	20,237	146,859	2,005,222	7.3%
Executive Director	2013	1,215,530	318,200	18,000	-	16,470	-	20,259	177,700	1,766,159	10.1%
C. Mentis	2014	880,291	271,500	-	51,934	17,775	169,571	14,672	146,859	1,552,602	9.5%
Exec Director / CFO	2013	880,710	215,500	-	52,820	16,470	-	14,679	177,700	1,357,879	13.1%
M.J. Harvey	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
Non-Executive Dir	2013	110,092	-	-	-	9,908	-	-	-	120,000	-
C.H. Brown	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
Non-Executive Dir	2013	110,092	-	-	-	9,908	-	-	-	120,000	-
I.J. Norman	2014	18,306	-	-	-	1,694	-	-	-	20,000	-
Non-Executive Dir	2013	18,349	-	-	-	1,651	-	-	-	20,000	-
K.W. Gunderson-Briggs	2014	114,920	-	-	-	5,080	-	-	-	120,000	-
Non-Executive Dir	2013	106,899	-	-	-	13,101	-	-	-	120,000	-
G.C.Paton	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
Non-Executive Dir	2013	110,092	-	-	-	9,908	-	-	-	120,000	-
TOTAL	2014	6,584,803	1,810,000	28,400	60,668	126,129	836,552	55,446	440,577	9,942,575	4.4%
TOTAL	2013	5,944,178	1,425,000	28,400	100,596	126,826	-	55,494	533,100	8,213,594	6.5%

(a) Table 1 includes the accrual for long service leave entitlements in respect of the years ended 30 June 2014 and 30 June 2013. The Chairman (G. Harvey) and Chief Executive Officer (K.L. Page) do not have a long service leave accrual as they have elected to forgo this employee entitlement.

The listed Parent Company, Harvey Norman Holdings Limited, does not have any employees.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 2: Options Granted to Executive Directors as Part of Remuneration:

The table below discloses the number of share options granted to executives as remuneration during the year ended 30 June 2014 as well as the number of options that vested or lapsed during the year.

Share options do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

	Options Granted as Remuneration During the Year (a)								Options Lapsed During the Year (b) and (c)	
	Grant Date	Grant Number	Value per option at Grant Date $	Total Value of Options Granted During the Year $	First Exercise Date	Last Exercise Date	Number of Options Vested During the Year	Value of Options Exercised During the Year	Number of Options Lapsed During the Year	Value of Options Lapsed During the Year $
J.E. Slack-Smith	-	-	-	-	-	-	378,000	-	733,000	$383,106
D.M. Ackery	-	-	-	-	-	-	378,000	-	733,000	$383,106
C. Mentis	-	-	-	-	-	-	378,000	-	733,000	$383,106
TOTAL	-	-	-	-	-	-	1,134,000	-	2,199,000	$1,149,318

(a) There were no share options issued pursuant to the 2010 Share Option Plan during the year ended 30 June 2014.
(b) On 14 November 2013 the Company announced that options over 300,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 900,000 options over 900,000 shares, previously granted on 29 November 2010 ("First Tranche of Options") have lapsed and will never be exercisable. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.87 per option.
(c) On 14 November 2013 the Company announced that options over 433,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 1,299,000 options over 1,299,000 shares, previously granted on 29 November 2012 ("Third Tranche of Options") have lapsed and will never be exercisable. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.282 per option.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 3: Option Holdings of Key Management Personnel for the Year Ended 30 June 2014

30 June 2014	Balance at Beginning of Period 1 July 2013	Granted as Remuneration	Options Exercised	Net Change Other (i)	Balance at End of Period 30 June 2014	Vested at 30 June 2014 (ii) Total	Exercisable	Not Exercisable
Directors								
G. Harvey	-	-	-	-	-	-	-	-
K.L. Page	-	-	-	-	-	-	-	-
J.E. Slack-Smith	1,928,000		-	(733,000)	1,195,000	378,000	378,000	-
D.M. Ackery	1,928,000		-	(733,000)	1,195,000	378,000	378,000	-
C. Mentis	1,928,000		-	(733,000)	1,195,000	378,000	378,000	-
M.J. Harvey	-	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-	-
I.J. Norman	-	-	-	-	-	-	-	-
K.W. Gunderson-Briggs	-	-	-	-	-	-	-	-
G.C. Paton	-	-	-	-	-	-	-	-
Executives								
R. Orrock	-	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-	-
T.J. Scott	-	-	-	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-	-	-	-
	5,784,000	-	-	(2,199,000)	3,585,000	1,134,000	1,134,000	-

(i) Explanation of Net Change Other Column:

The Remuneration Committee had regard to certificates and reports from officers of the Company, other board committees and management, and own enquiries, and noted that the financial and non-financial performance conditions in respect of the 2010 Share Option Plan had been only partially satisfied, and determined, in accordance with the terms and conditions of the 2010 Share Option Plan, resulted in the lapsing of options issued in previous financial years as follows:

(a) On 14 November 2013 the Company announced that options over 300,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 900,000 options over 900,000 shares, previously granted on 29 November 2010 ("First Tranche of Options") have lapsed and will never be exercisable. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.87 per option.

(b) On 14 November 2013 the Company announced that options over 433,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 1,299,000 options over 1,299,000 shares, previously granted on 29 November 2012 ("Third Tranche of Options") have lapsed and will never be exercisable. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.282 per option.

(ii) Options Vested During the Year Ended 30 June 2014

On 31 December 2013, options over 378,000 shares granted to each of David Matthew Ackery, Chris Mentis and John Evyn Slack-Smith, a total of 1,134,000 options over 1,134,000 shares, previously granted on 29 November 2010 ("First Tranche of Options") had vested and are exercisable from 1 January 2014 to 30 June 2016.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 4: Shareholdings of Key Management Personnel for the Year Ended 30 June 2014

30 June 2014	Balance at Beginning of Period 1 July 2013	Granted as Remuneration	On Exercise of Options	Net Change Other (i)	Balance at End of Period 30 June 2014
Directors					
G. Harvey	313,484,571	-	-	-	313,484,571
K.L. Page	16,995,133	-	-	-	16,995,133
J.E. Slack-Smith	259,999	-	-	-	259,999
D.M. Ackery	146,667	-	-	-	146,667
C. Mentis	18,500	-	-	-	18,500
M.J. Harvey	2,845,553	-	-	-	2,845,553
C.H. Brown	103,467	-	-	175,249,660	175,353,127
I.J. Norman	175,249,660	-	-	(175,249,660)	-
K.W. Gunderson-Briggs	3,000	-	-	-	3,000
G.C. Paton	15,000	-	-	-	15,000
Executives					
R. Orrock	-	-	-	-	-
M.L. Anderson	-	-	-	-	-
T.J. Scott	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-
	509,121,550	-	-	-	509,121,550

(i) Explanation of Net Change Other Column:

Mr. I.J. Norman, Non-Executive Director, co-founder and major shareholder of Harvey Norman Holdings Limited passed away and ceased being a director of the Company on 29 May 2014. The estate of Mr. Norman and entities in which the estate has an interest, indirectly hold 175,249,660 shares in the Company through Dimbulu Pty Limited. That shareholding represents 16.5% of the issued shares in the Company. The executor and trustee named in Mr. Norman's will is Christopher Herbert Brown, who is a non-executive director of the Company, who also became the sole director of Dimbulu Pty Limited following the death of Mr. Norman. The executor and trustee has advised the Company that the estate of Mr. I.J. Norman and estate controlled entities intend to remain a long-term shareholder in the Company.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

TABLE 5: Compensation of Key Management Personnel for the Year Ended 30 June 2014 – Executives of Harvey Norman Holdings Limited

		Short-Term Benefits				Post-Employment	Share-Based Payments	Other			
		Salary & fees $	Performance Cash Incentive $	Other Short-Term $	Non monetary benefits $	Superannuation $	Value of Options $	Long Service Leave $	Termination Benefits $	TOTAL $	% of options
R. Orrock	**2014**	**511,639**	**-**	**21,162**	**-**	**17,775**	**-**	**8,527**	**-**	**559,103**	**-**
General Manager: Domayne	2013	512,943	-	21,162	-	16,470	-	8,549	-	559,124	-
M.L. Anderson	**2014**	**346,011**	**-**	**-**	**17,454**	**19,554**	**-**	**5,767**	**-**	**388,786**	**-**
General Manager: Advertising	2013	335,215	-	-	23,315	16,470	-	5,587	-	380,587	-
G.I. Dingwall	**2014**	**341,500**	**50,000**	**-**	**-**	**17,775**	**-**	**5,692**	**-**	**414,967**	**-**
General Manager: IT / CIO	2013	334,106	50,000	-	-	16,470	-	5,568	-	406,144	-
T.J. Scott	**2014**	**498,000**	**100,000**	**-**	**-**	**17,775**	**-**	**8,300**	**-**	**624,075**	**-**
General Manager: Property	2013	449,305	100,000	-	-	16,470	-	7,488	-	573,263	-
TOTAL KEY MANAGEMENT PERSONNEL 2014		**1,697,150**	**150,000**	**21,162**	**17,454**	**72,879**	**-**	**28,286**	**-**	**1,986,931**	**-**
TOTAL KEY MANAGEMENT PERSONNEL 2013		1,631,569	150,000	21,162	23,315	65,880	-	27,192	-	1,919,118	-

Remuneration Report (Audited) (continued)

Loans to Key Management Personnel and their Related Parties

(i) Details of aggregates of loans to key management personnel are as follows:

	Balance at beginning of period $000	Interest charged $000	Interest not charged $000	Write-off $000	Balance at End of Period $000	Number in Group No.
2014						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-
	-	-	-	-	-	-
2013						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-
	-	-	-	-	-	-

Terms and Conditions of Loans

No new loans were granted to key management personnel during the year ended 30 June 2014.

(ii) Details of individuals with loans above $100,000 in the reporting period are as follows:

	Balance at beginning of period $000	Interest charged $000	Interest not charged $000	Write-off $000	Balance at End of Period $000	Highest Owing in Period No.
2014						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-
2013						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-

Other Transactions and Balances with Key Management Personnel and their Related Parties

	CONSOLIDATED 2014 $	2013 $
(i) *Loans from directors to subsidiaries of Harvey Norman Holdings Limited:* Derni Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) borrowed money from entities associated with I.J. Norman, M.J. Harvey and G. Harvey. Interest is payable at commercial rates. These loans are unsecured and repayable at call.	41,121,199	26,374,038
Net amounts received from/(paid to) entities associated with the above mentioned directors and their related parties.	14,747,161	(6,032,330)
Interest paid/payable	1,121,107	1,458,605
(ii) *Legal fees paid to a director-related entity:* Legal fees were paid to the firm of which Mr C.H. Brown is a partner for professional services rendered to the consolidated entity in the normal course of business.	2,523,610	2,103,361

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Other Transactions and Balances with Key Management Personnel (continued)

	CONSOLIDATED 2014 $	2013 $
(iii) *Lease of business premises from Ruzden Pty Limited:* The consolidated entity leases business premises at Bundall, Queensland from Ruzden Pty Limited. Mr G. Harvey, Ms K.L. Page, Mr M.J. Harvey and Mr I.J. Norman have an equity interest in Ruzden Pty Limited. The lease arrangements were approved by shareholders in the General Meeting held 25 May 1993, and in the General Meeting held 31 August 1999. The lease is subject to normal commercial terms and conditions. Rent paid by the consolidated entity to Ruzden Pty Limited is:	4,258,918	4,200,620
(iv) *Other income derived by related entities of key management personnel:* Certain franchises are operated by entities owned or controlled by relatives of key management personnel under normal franchisee terms and conditions. Aggregated net income derived by entities owned or controlled by relatives of key management personnel is:	1,492,480	1,081,836

(v) *Perth City West Retail Complex*

By a contract for sale dated 31 October 2000, Gerald Harvey, as to a one half share as tenant in common, and a subsidiary of Harvey Norman Holdings Limited, as to a one half share as tenant in common, purchased the Perth City West retail complex for a purchase price of $26.60 million. In the financial report for the year ended 30 June 2014 this has been accounted for as a joint venture as disclosed in Note 37 to the financial statements. This transaction was executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transaction was at arm's length. The property was purchased subject to a lease of part of the property in favour of a subsidiary of Harvey Norman Holdings Limited (the "Lessee"). That lease had been granted by the previous owner of the property on arm's length normal terms and conditions. Gerald Harvey is entitled to one half of the rental paid by the Lessee. The amount of rental and outgoings paid by the Lessee to Gerald Harvey and the subsidiary of Harvey Norman Holdings Limited for the year ended 30 June 2014 was $1.84 million each (2013: $1.79 million).

(vi) *The Byron at Byron Resort, Spa and Conference Centre*

By a contract for sale dated 15 May 2002, a company (of which Gerald Harvey was a director) acting in its capacity as trustee of a trust, as to a one half share as tenant in common (the "GH entity"), and a subsidiary of Harvey Norman Holdings Limited, as to a one half share as tenant in common, purchased the Byron at Byron Resort, Spa and Conference Centre (the "Byron Bay JV"). In the financial report for the year ended 30 June 2014, this has been accounted for as a joint venture as disclosed in Note 37. This transaction was executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transaction was at arms' length. Each of the GH entity and a subsidiary of Harvey Norman Holdings Limited received capital distributions in the sum of $0.73 million (2013: $0.05 million). Each of the GH entity and a subsidiary of Harvey Norman Holdings Limited made additional capital contributions to the Byron Bay JV of $0.13 million (2013: $0.10 million).

A subsidiary of Harvey Norman Holdings Limited held a conference at The Byron at Byron Resort and paid the Byron Bay JV conference fees amounting to $0.09 million for the year ended 30 June 2014 (2013: $0.11 million).

(vii) *Gepps Cross Retail Complex*

By a contract for sale dated 18 December 2007, a subsidiary of the Company ("HNHL G.C. Entity") and Axiom Properties Fund Limited ("G.C. Co-Owner") purchased land located in Gepps Cross, South Australia ("G.C. Land") in equal shares as tenants in common, for the purpose of constructing and subsequently managing a retail complex on the G.C. Land ("the Gepps Cross Joint Venture"). In November 2009, HNHL G.C. Entity and the G.C. Co-Owner granted a lease of part of the G.C. Land and retail complex to a subsidiary of the Company ("G.C. Lessee") on arm's length commercial terms ("G.C. Lease"). In August 2010, the G.C. Co-Owner informally advised the Company that the G.C. Co-Owner intended or wished to dispose of its interest in the Gepps Cross Joint Venture, triggering first and last rights of refusal in the HNHL G.C. Entity. At a meeting of the Company held 26 August 2010, it was resolved that the Company not purchase the share of the G.C. Co-Owner in the Gepps Cross Joint Venture (including G.C. Land). On 6 October 2010, HNHL G.C. Entity formally waived the right to purchase the interest of the G.C. Co-Owner in the Gepps Cross Joint Venture (including the G.C. Land).

Remuneration Report (Audited) (continued)

Other Transactions and Balances with Key Management Personnel (continued)

By a contract for sale dated 23 December 2010, GH Gepps Cross Pty Limited, an entity associated with Gerald Harvey ("Gerald Harvey Entity") and MJH Gepps Cross Pty Limited, an entity associated with Michael Harvey ("Michael Harvey Entity") and, M&S Gepps Cross Pty Limited, purchased the one half share as tenant in common of the G.C. Co-Owner in the G.C. Land and retail complex. The sale was subject to the G.C. Lease. The Gerald Harvey Entity is entitled to one quarter of the rental and outgoings paid by the G.C. Lessee amounting to $0.68 million for the year ended 30 June 2014 (2013: $0.66 million). The Michael Harvey Entity is entitled to one eighth of the rental and outgoings paid by the G.C. Lessee amounting to $0.34 million for the year ended 30 June 2014 (2013: $0.33 million).

The Gepps Cross Joint Venture has been accounted for as equity accounted investment as disclosed in Note 37. The Gerald Harvey Entity is entitled to one quarter of the profits generated by the retail complex on the G.C. Land amounting to $1.43 million for the year ended 30 June 2014 (2013: $1.41 million). The Michael Harvey Entity is entitled to one eighth of the profits generated by the retail complex on the G.C. Land amounting to $0.71 million for the year ended 30 June 2014 (2013: $0.70 million).

(viii) Acquisition by a Director-Related Entity of a Commercial Advance made to a Third Party

On 30 June 2014, an unrelated third party debtor of Network Consumer Finance Pty Limited, a wholly-owned subsidiary of Harvey Norman Holdings Limited, ("Debtor") was indebted to Network Consumer Finance Pty Limited in the amount of $5.52 million ("NCF Debt"). G. Harvey Nominees Pty Limited as trustee for the Harvey 2007 Option Trust acquired the NCF Debt for a price of $5.52 million and took an assignment of securities previously granted by the Debtor to Network Consumer Finance Pty Limited.

(ix) Gazal Corporation Limited

Mr. G.C. Paton is an independent, non-executive director of Gazal Corporation Limited, a public company listed on the Australian Stock Exchange. A wholly-owned subsidiary of the consolidated entity owns 1.0 million shares in Gazal Corporation Limited with a market value of $2.75 million as at 30 June 2014 (2013: $2.85 million). The consolidated entity received dividends from Gazal Corporation Limited amounting to $0.18 million for the year ended 30 June 2014 (2013: $0.18 million).

During the year ended 30 June 2014 Harvey Norman Shopfitting Pty Limited, a wholly-owned subsidiary of Harvey Norman Holdings Limited, provided shopfitting services on normal terms and conditions to Gazal Corporation Limited. The value of the shopfitting sales to Gazal was $0.005 million for the year ended 30 June 2014 (2013: $0.31 million). Mr G.C. Paton did not direct, manage or otherwise participate In any of the arrangements between Harvey Norman Shopfitting Pty Limited and Gazal Corporation Limited.

DIRECTORS' REPORT (CONTINUED)

Environmental Regulation Performance

The consolidated entity's environmental obligations are regulated under both State and Federal Law. No environmental breaches have been notified to the consolidated entity by any Government agency during the year ended 30 June 2014 and up to the date of this report.

Actions of the Franchisor

The consolidated entity acts as a landlord in a number of retail complexes utilised by Harvey Norman, Domayne and Joyce Mayne Franchisees. At those premises, the landlord provides lighting and air conditioning for the utilisation of Franchisees at the site and also provides electricity to the site. The consolidated entity has undertaken the following recent actions with respect to lighting and air conditioning and electricity supply:

Lighting
Twenty business premises had their lighting upgraded from T8 to T5 technology. T5 lights are high efficiency fluorescent lamps that use less energy than the T8 tubes.

Air Conditioning
The consolidated entity has begun a major replacement and upgrade program at a number of complexes across Australia in order to realise energy efficiency benefits and reduce energy consumption levels.

Electricity purchasing
In 2012, the consolidated entity entered into an energy purchasing agreement with Momentum Energy using their 'SmilePower' product at small warehouse sites across South Australia, Victoria, ACT and New South Wales. SmilePower is a renewable energy product ordered by Momentum Energy and is generated by a hydropower facility in Tasmania. The energy consumed at these sites is matched by renewable energy generation.

Actions of Franchisees

The consolidated entity is a signatory to the Australian Packaging Covenant ("APC"). The APC is a sustainable packaging initiative which aims to change the culture of business to design more sustainable packaging, increase recycling rates and reduce packaging litter. The consolidated entity has taken a product stewardship approach to waste.

Harvey Norman, Domayne and Joyce Mayne franchisees have undertaken a number of initiatives to improve the use and recovery of packaging materials and divert waste from landfill across Australia.

These include:

e-Waste Recycling
A number of Harvey Norman, Domayne and Joyce Mayne franchisees have voluntarily partnered with external companies collecting e-Waste under the Federal Government National Television and Computer Product Stewardship Scheme. Participation in this program allows Franchisees to act as collection points for e-Waste, including computers and televisions, to reduce the risk of these items entering other waste streams, including landfill.

Polystyrene Recycling
Franchisees have implemented a polystyrene recycling initiative that removes a significant volume of polystyrene from the general waste streams at their complexes. This has a two-fold effect – the site reduces the frequency and therefore the cost of waste removal because of the lower volumes in the general waste bin and the polystyrene is sent to be reused in other products, prolonging its life and reducing the need to make more polystyrene elsewhere.

Franchisees are involved in white goods and mattress collection and recycling initiatives.

Plastic Bag Use:
Harvey Norman, Domayne and Joyce Mayne franchisees have significantly reduced the number of plastic bags being given to customers over the past eighteen months.

Indemnification of Officers

During the financial year, insurance and indemnity arrangements were continued for officers of the consolidated entity.

An indemnity agreement was entered into between the Company and each of the directors of the Company named earlier in this report and with each full-time executive officer, director and secretary of all group entities. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities.

Tax Consolidation

Harvey Norman Holdings Limited and its 100% owned subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Rounding of Amounts

The Parent is a Company of the kind specified in the Australian Securities and Investments Commission class order 98/100. In accordance with the class order, amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Auditor Independence and Non-Audit Services

During the year, the auditors of Harvey Norman Holdings Limited, Ernst & Young, provided non–audit services to Harvey Norman Group entities. In accordance with the recommendation from the Audit Committee of the Company, the directors are satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act. Also, in accordance with the recommendation from the Audit Committee, the directors are satisfied that the nature and scope of each type of non–audit service provided means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for the provision of non–audit services during the year ended 30 June 2014 are as follows:

- Tax compliance services $181,260 (2013: $218,670);
- Other services $76,814 (2013: $102,502)

DIRECTORS' REPORT (CONTINUED)

Auditor Independence and Non-Audit Services

The directors received the following declaration from the auditor of Harvey Norman Holdings Limited.

EY
Building a better working world

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Harvey Norman Holdings Limited

In relation to our audit of the financial report of Harvey Norman Holdings Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Katrina Zdrilic
Partner
Sydney
30 September 2014

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Signed in accordance with a resolution of directors.

G. HARVEY
Executive Chairman
Sydney
30 September 2014

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2014

CORPORATE GOVERNANCE STATEMENT

The board of directors of Harvey Norman Holdings Limited ("Company") is responsible for establishing the corporate governance framework of the consolidated entity having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations. The board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

	Recommendation	Comply Yes	Comply No	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
Principle 1 – Lay solid foundations for management and oversight					
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes		Page 46	ASX CGC 1.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes		Pages 21-32 & 47	ASX CGC 1.2
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes			ASX CGC 1.3
Principle 2 – Structure the board to add value					
2.1	A majority of the board should be independent directors.		No	Page 46	ASX CGC 2.1
2.2	The chair should be an independent director.		No	Pages 46 & 47	ASX CGC 2.2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes		Page 47	ASX CGC 2.3
2.4	The board should establish a nomination committee.	Yes		Pages 48	ASX CGC 2.4
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes		Pages 21-32 & 47	ASX CGC 2.5
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes			ASX CGC 2.6
Principle 3 – Promote ethical and responsible decision-making					
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ▪ The practices necessary to maintain confidence in the company's integrity. ▪ The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. ▪ The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes		Please refer to the website of the Company.	ASX CGC 3.1
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Yes		Pages 51 & 52	ASX CGC 3.2
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress toward achieving them.	Yes		Page 51	ASX CGC 3.3
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes		Page 51	ASX CGC 3.4
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes			ASX CGC 3.5
Principle 4 – Safeguard integrity in financial reporting					
4.1	The board should establish an audit committee.	Yes		Page 48	ASX CGC 4.1
4.2	The audit committee should be structured so that it: ▪ consists only of non-executive directors ▪ consists of a majority of independent directors ▪ is chaired by an independent chair, who is not chair of the board ▪ has at least three members	Yes		Page 48	ASX CGC 4.2 ASX CGC 12.7

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

	Recommendation	Comply	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
4.3	The audit committee should have a formal charter.	Yes	Page 48	ASX CGC 4.3
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes		ASX CGC 4.4
	Principle 5 – Make timely and balanced disclosures			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	Please refer to the website of the Company.	ASX CGC 5.1
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.			ASX CGC 5.2
	Principle 6 – Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Page 50	ASX CGC 6.1
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes		ASX CGC 6.2
	Principle 7 – Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Pages 48 & 49	ASX CGC 7.1
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Pages 48 & 49	ASX CGC 7.2
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Page 49	ASX CGC 7.3
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes		ASX CGC 7.4
	Principle 8 – Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	Yes	Pages 22, 23, 49 & 50	ASX CGC 8.1
8.2	The remuneration committee should be structured so that it:		Pages 22, 23, 49 & 50	ASX CGC 8.2
	▪ consists of a majority of independent directors	Yes		
	▪ is chaired by an independent chair	No		
	▪ has at least three members	Yes		
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Pages 21-32, 49 & 50	ASX CGC 8.3
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes		ASX CGC 8.4

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

	ASX Listing Rule / Recommendation
The corporate governance practices of the Company were in place throughout the year ended 30 June 2014.	ASXLR 4.10.3

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to the website: www.harveynormanholdings.com.au.

Board functions

The board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. — ASX CGC 1.1

To ensure that the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

The responsibility for the operation and administration of the Company is delegated, by the board, to the CEO and the executive management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive management team. — ASX CGC 1.1

Whilst at all times the board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the board.

To this end the board has established the following committees: Audit, Nomination, Remuneration and Risk.

The roles and responsibilities of these committees are discussed throughout this corporate governance statement.

The board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risk identified by the board. The board has a number of mechanisms in place to ensure this is achieved including:

(i) Board approval of strategic plans designed to meet stakeholders' needs and manage business risk.
(ii) Ongoing development of strategic plans and approving initiatives and strategies designed to ensure the continued growth and success of the entity.
(iii) Implementation of budgets by management and monitoring progress against budget – via the establishment and reporting of both financial and non financial key performance indicators.

Other functions reserved to the board include:

(i) Approval of the annual and half-yearly financial reports.
(ii) Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
(iii) Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
(iv) Reporting to shareholders.

Structure of the board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the directors' report. The board considers that the present board has an appropriate mix of skills and diversity. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement. — ASX CGC 2.6

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of the Company are considered to be independent: — ASX CGC 2.6

Name	Position
Kenneth William Gunderson-Briggs	Non-Executive Director
Graham Charles Paton	Non-Executive Director

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX Listing Rule/ Recommendation

A majority of the board does not consist of independent directors. The majority of the board consists of executive directors. The board recognises the Corporate Governance Council's recommendation that a majority of the board should consist of independent directors.
The board believes that each executive director is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of that executive director and that the Company as a whole benefits from the long-standing experience of that director in relation to the operations and business relationships of the Company.

The board recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The board further recognises that Mr Gerald Harvey does not meet the definition of independence. — ASX CGC 2.2

The board believes that Mr Gerald Harvey is the most appropriate person to lead the board as Executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

There are procedures in place, agreed by the board, to enable directors in furtherance of their duties to seek independent professional advice at the expense of the Company. — ASX CGC 2.6

The term in office held by each director in office at the date of this report is as follows: — ASX CGC 2.6

Name	Position	Appointed to Board of Company
Gerald Harvey	Executive Chairman	1987
Kay Lesley Page	Executive Director and CEO	1987
John Evyn Slack-Smith	Executive Director and COO	2001
David Matthew Ackery	Executive Director	2005
Chris Mentis	Executive Director and CFO	2007
Michael John Harvey	Non-Executive Director	1993
Christopher Herbert Brown	Non-Executive Director	1987
Kenneth William Gunderson-Briggs	Independent Non-Executive Director	2003
Graham Charles Paton	Independent Non-Executive Director	2005

For additional details regarding board appointments, please refer to our website.

Performance

The performance of the board and key executives is reviewed regularly against both measurable and qualitative indicators. During the reporting period, the nomination committee conducted performance evaluations that involved an assessment of the performance of each board member against specific and measurable qualitative and quantitative performance criteria. — ASX CGC 2.5

The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of the Company. Directors whose performance is consistently unsatisfactory may be asked to retire.

Trading policy

Under the Share Trading Policy of the Company, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Before commencing to trade, an executive must first obtain the approval of the Company Secretary or CEO to do so and a director must first obtain approval of the Chairman.

Only in exceptional circumstances will approval be forthcoming outside of the period which is 30 days after:

(i) One day following the announcement of the half yearly and full year results as the case may be
(ii) One day following the holding of the Annual General Meeting

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by directors in the securities of the Company.

	ASX Listing Rule / Recommendation
Nomination committee	
The board has established a nomination committee, which meets at least annually, to ensure that the board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The nomination committee is comprised of non-executive directors, Christopher Herbert Brown (Chairman), Kenneth William Gunderson-Briggs and Graham Charles Paton through the year ended 30 June 2014.	ASX CGC 2.6
The nomination committee recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The nomination committee further recognises that it can be argued that Mr Christopher Herbert Brown does not meet the definition of independence.	
The nomination committee believes that Mr Christopher Herbert Brown is the most appropriate person to lead the nomination committee as non-executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.	
For details of directors' attendance at meetings of the nomination committee, refer to the directors' report.	ASX CGC 2.6
For additional details regarding the nomination committee including its charter please refer to the website of the Company.	
Audit committee	
The board has established an audit committee, which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated responsibility for oversight of the framework of internal control and ethical standards to the audit committee.	ASX CGC 4.4
The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the audit committee are non-executive directors.	
The members of the audit committee during the year were: ▪ Graham Charles Paton (Chairman) ▪ Christopher Herbert Brown ▪ Kenneth William Gunderson-Briggs	
Qualifications of Audit Committee Members ▪ Graham Charles Paton is an experienced certified practising accountant, financially literate and Chairman of the audit committee. ▪ Christopher Herbert Brown is an experienced solicitor, financially literate and has been a Non-Executive Director of the Company since 1987. ▪ Kenneth William Gunderson-Briggs is an experienced chartered accountant, financially literate and has been an Independent Non-Executive Director of the Company since 2003.	ASX CGC 4.4
For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the directors' report. For additional details regarding the audit committee, including a copy of its charter, please refer to the website of the Company.	ASX CGC 4.4
Risk	
The board has continued its proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the approach of the Company to creating long-term shareholder value.	ASX CGC 7.1
In recognition of this, the board determines the risk profile of the Company and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The board has established a separate risk committee, to assist the board.	
The board oversees an annual assessment of the effectiveness of risk management and internal	ASX CGC 7.2

compliance and control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the Chief Executive Officer, including responsibility for the day to day design and implementation of the risk management and internal control system of the Company. Management reports to the board on the key risks of the Company and the extent to which it believes these risks are being adequately managed.

Management is required by the board to carry out risk specific management activities in core areas, including strategic risk, operational risk, reporting risk and compliance risk. It is then required to assess risk management and associated internal compliance and control procedures and report back on the efficiency and effectiveness of these efforts by benchmarking performance in substantially accordance with Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009 Risk Management).

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

(i) Board approval of strategic plans designed to meet stakeholders' needs and manage business risk.
(ii) Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.

As part of its duties, the internal audit function of the Company is responsible for the objective assessment of:

(i) the systems of internal control;
(ii) the risk and control framework; and
(iii) generally, objective assessment of compliance by the Company with risk management protocols of the Company.

In order to ensure the independence of the internal audit function, the head of internal audit meets privately with the audit committee without management present on a regular basis and is responsible for making the final decision on the head of internal audit's tenure.

Underpinning these efforts is a comprehensive set of policies and procedures directed towards achieving the following objectives in relation to the requirements of Principle 7:

(i) Effectiveness and efficiency in the use of the resources of the Company
(ii) Compliance with applicable laws and regulations
(iii) Preparation of reliable published financial information

CEO and CFO certification

In accordance with section 295A of the *Corporations Act*, the chief executive officer and chief financial officer have provided a written statement to the board that: ASX CGC 7.3

(i) Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board
(ii) The Company's risk management and internal compliance and control system is operating effectively in all material respects

The board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be answered and completed by the key management personnel of all significant business units, including finance managers, in support of these written statements.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the remuneration committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are: ASX CGC 8.2

(i) Retention and motivation of key executives.
(ii) Attraction of high quality management to the Company.
(iii) Performance incentives that allow executives to share in the success of Harvey Norman Holdings Limited.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained with the directors' report.

ASX CGC 8.3

There is no scheme to provide retirement benefits to non-executive directors.

ASX CGC 8.3

The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the chief executive officer and executive team. The board has established a remuneration committee, comprising three non-executive directors. Members of the remuneration committee throughout the year were Christopher Herbert Brown (Chairman), Kenneth William Gunderson-Briggs and Graham Charles Paton.

ASX CGC 8.1

The remuneration committee recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The remuneration committee further recognises that it can be argued that Mr Christopher Herbert Brown does not meet the definition of independence.

The remuneration committee believes that Mr Christopher Herbert Brown is the most appropriate person to lead the remuneration committee as non-executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to the directors' report.

ASX CGC 8.3

For additional details regarding the remuneration committee, including a copy of its charter, please refer to website of the Company.

Shareholder communication policy

Pursuant to Principle 6, the objective of the Company is to promote effective communication with its shareholders at all times.

ASX CGC 6.2

The Company is committed to:
(i) Ensuring that shareholders and the financial markets are provided with full and timely information about the activities of the Company in a balanced and understandable way.
(ii) Complying with continuous disclosure obligations contained in applicable the ASX listing rules and the Corporations Act 2001 in Australia.
(iii) Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:
(i) Through the release of information to the market via the ASX
(ii) Through the distribution of the annual report and Notices of Annual General Meeting
(iii) Through shareholder meetings and investor relations presentations
(iv) Through letters and other forms of communications directly to shareholders
(v) By posting relevant information to the website of the Company.

The Company's website www.harveynormanholdings.com.au has a dedicated Investor Relations section for the purpose of publishing all important company information and relevant announcements made to the market (refer to the corporation information section of the website).

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Diversity

In accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations", the Company established a policy concerning diversity which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. Present measurements are set out below.

Diversity Policies

The Company has a Board Diversity Policy and an Employee Diversity Policy and these policies are published on the website: www.harveynormanholdings.com.au.

The Company recognises the importance of having a diverse workplace and embraces the corporate benefits that a diverse workforce adds to an organisation. The Company believes that increasing diversity in the Company is essential to producing greater value for its shareholders, as it allows the Company to become more innovative, responsive, productive and competitive.

The Company is committed to promoting an environment that embraces and promotes diversity and that is conducive of the selection of well qualified employees and senior management candidates from diverse backgrounds, experiences and perspectives. The Company recognises that employees of all levels will assume changing domestic responsibilities throughout their careers.

In relation to the Board the Company recognises the importance of having a diverse Board and embraces the corporate benefits that a Board comprising members of diverse backgrounds, experiences and perspectives brings to an organisation. The Company views increasing diversity at board level as essential to producing greater value for its shareholders as it allows the Company become more innovative, responsive, productive and competitive.

The Company is committed to promoting an environment that embraces and promotes diversity and that is conducive of the appointment of well qualified candidates to the Board. The Company recognises that members of the Board will assume changing domestic responsibilities throughout their careers.

Present Measurements

The Company presently measures:

1) the number of female and male employees;
2) the different positions held by female and male employees;
3) the number of female and male employees in full time, part time and casual roles;
4) the salaries of female and male employees and whether a pay gap exists in the Company; and
5) other measures including the age of employees, the ethnicity of employees and the length of service of employees.

Workforce Gender Profile

As at 30 June 2014 women represent 41.63% of total employees of the Company (2013: 42.95%), 25.81% of employees in senior executive positions (2013: 28.89%) and 10.00% of the Board (2013: 10.00%).

Diversity Measures, Targets and Initiatives

The Company is committed to increasing diversity in the workplace and, in particular, increasing the participation of women in the Company so as to broaden the talent pool from which future leaders of the Company can be drawn.

During the year ended 30 June 2014, the following measures, targets and initiatives were undertaken in accordance with the diversity objectives of the consolidated entity:

1) Formalised a Flexible Work Policy and a Working From Home Policy.
2) Conducted an employee diversity survey and reviewed the results of that survey to collect and analyse more detailed information regarding the diversity of the composition of the workforce, including gender, age, ethnicity and cultural background, with a view to assessing the progress of the Company towards achieving greater diversity in the workplace.
3) Continuously review and update Human Resources ("HR") policies and processes to ensure that they are inclusive in nature and do not expressly or implicitly operate in a manner contrary to the Employee Diversity Policy or the Board Diversity Policy.
4) Conducted the annual internal audit of the bullying and harassment training completed by employees and the Board to eliminate bullying and harassment in the workplace.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Diversity Measures, Targets and Initiatives (continued)

5) Membership of Diversity Council Australia to reinforce the Company's commitment to an inclusive culture and diversity in the workplace and to add value to diversity related initiatives.
6) Continue to develop the Harvey Norman Foundations Program.
7) Conducted a pay equity audit for the year ended 30 June 2014 and analyse data to assess whether a gender pay gap exists in the company.
8) Continue to develop the Learning Management System ("LMS") which assists managers to identify skill gaps of employees and monitors whether compulsory online sexual harassment training has been completed by employees, to eliminate sexual harassment in the workplace.
9) Launched the Cultural Awareness Module in April 2014, an e-Learning module within the LMS, to promote cultural awareness throughout the consolidated entity.
10) Conducted the annual "Taste of Harmony" event in March 2014 to raise awareness of cultural diversity in the workplace.
11) In 2012, the consolidated entity committed to the ideals of Reconciliation Australia and commenced a Reconciliation Action Plan to help close the gap in Aboriginal and Torres Strait Islander people's life expectancy. As part of this Plan, the consolidated entity has worked with Australian Indigenous Mentoring Experience ("AIME") to offer employment opportunities to Indigenous Australians.
12) In addition, through AIME and the consolidated entity's "Windows to the Future Program", franchisees have an opportunity to share their career story to indigenous students at universities across Australia.
13) Continue to develop systems to enable regular reporting and assessment of progress towards the adopted gender diversity objectives.
14) Wherever possible include:
    a. at least one female on a short list of applicants for all senior management roles; and
    b. at least one woman in the selection panel for all senior management roles.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	NOTE	CONSOLIDATED June 2014 $000	Restated June 2013# $000
Current Assets			
Cash and cash equivalents	28(a)	144,957	161,660
Trade and other receivables	6	1,119,393	1,054,402
Other financial assets	7	21,596	19,072
Inventories	8	297,670	268,781
Other assets	9	23,010	27,655
Intangible assets	10	541	343
Total current assets		1,607,167	1,531,913
Non-Current Assets			
Trade and other receivables	11	7,417	12,646
Investments accounted for using equity method	37	24,912	16,498
Other financial assets	12	16,176	14,223
Property, plant and equipment	13	569,057	548,903
Investment properties	14	1,903,504	1,853,540
Intangible assets	15	77,898	58,913
Deferred income tax assets	5(d)	19,205	28,395
Total non-current assets		2,618,169	2,533,118
Total Assets		4,225,336	4,065,031
Current Liabilities			
Trade and other payables	16	740,681	611,758
Interest–bearing loans and borrowings	17	469,872	172,455
Income tax payable		24,142	23,817
Other liabilities	18	2,043	2,689
Provisions	19	25,494	23,338
Total current liabilities		1,262,232	834,057
Non-Current Liabilities			
Interest-bearing loans and borrowings	20	238,094	647,821
Provisions	19	10,293	8,900
Deferred income tax liabilities	5(d)	208,185	194,353
Other liabilities	22	15,426	16,045
Total non-current liabilities		471,998	867,119
Total Liabilities		1,734,230	1,701,176
NET ASSETS		2,491,106	2,363,855
Equity			
Contributed equity	23	259,610	259,610
Reserves	24	102,735	61,799
Retained profits	25	2,109,032	2,008,880
Parent entity interests		2,471,377	2,330,289
Non-controlling interests	26	19,729	33,566
TOTAL EQUITY		2,491,106	2,363,855

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Refer to Note 1(d)(i) Changes in accounting policy, disclosures, standards and interpretations on page 60 for the impact of adopting AASB 11 Joint Arrangements.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	CONSOLIDATED June 2014 $000	Restated June 2013# $000
Sales revenue	3	1,513,662	1,323,481
Cost of sales		(1,064,892)	(944,229)
Gross profit		448,770	379,252
Revenues and other income items	3	1,033,624	1,035,551
Distribution expenses		(15,114)	(11,047)
Marketing expenses		(348,952)	(341,460)
Occupancy expenses	4	(233,881)	(278,627)
Administrative expenses	4	(427,604)	(393,236)
Other expenses from ordinary activities		(136,846)	(177,236)
Finance costs	4	(36,437)	(45,774)
Share of equity accounted entities:			
- Share of net profit of joint venture entities	37	17,501	20,523
Profit before income tax		301,061	187,946
Income tax expense	5(a) & 5(c)	(88,823)	(43,469)
Profit after tax		212,238	144,477
Attributable to:			
Owners of the Parent		211,695	142,211
Non-controlling interests		543	2,266
		212,238	144,477
Earnings Per Share:			
Basic earnings per share (cents per share)	27	19.93 cents	13.39 cents
Diluted earnings per share (cents per share)	27	19.91 cents	13.38 cents
Dividends per share (cents per share)		14.0 cents	9.0 cents

The above Income Statement should be read in conjunction with the accompanying notes.

Refer to Note 1(d)(i) Changes in accounting policy, disclosures, standards and interpretations on page 60 for the impact of adopting AASB 11 Joint Arrangements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	CONSOLIDATED	
	June 2014 $000	June 2013 $000
Profit for the year	**212,238**	144,477
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	**28,529**	34,416
Net fair value gains on available-for-sale investments	**829**	3,096
Net movement on cash flow hedges	**3,857**	7,231
Income tax effect on net movement on cash flow hedges	**(1,143)**	(2,169)
Items that will not be reclassified subsequently to profit or loss		
Fair value revaluation of land and buildings	**27,969**	8,333
Income tax effect on fair value revaluation of land and buildings	**(8,624)**	(4,423)
Other comprehensive income for the year (net of tax)	**51,417**	46,484
Total comprehensive income for the year (net of tax)	**263,655**	190,961
Total comprehensive income attributable to:		
- Owners of the Parent	**259,524**	184,253
- Non-controlling interests	**4,131**	6,708
	263,655	190,961

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Attributable to Equity Holders of the Parent									
	Contributed Equity	Retained Profits	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve	Employee Equity Benefits Reserve	Acquisition Reserve	Non-controlling Interests	TOTAL EQUITY
	$000	$000	$000	$000	$000	$000	$000	$000	$000	**$000**
At 1 July 2013	259,610	2,008,880	74,545	(3,801)	6,450	(8,824)	8,167	(14,738)	33,566	**2,363,855**
Other comprehensive income:										
Revaluation of land and buildings	-	-	16,639	-	-	-	-	-	2,706	**19,345**
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	47	-	-	-	**47**
Currency translation differences	-	-	-	27,647	-	-	-	-	882	**28,529**
Fair value of interest rate swaps	-	-	-	-	-	2,680	-	-	-	**2,680**
Fair value of forward foreign exchange contracts	-	-	-	-	-	(13)	-	-	-	**(13)**
Fair value of available for sale financial assets	-	-	-	-	829	-	-	-	-	**829**
Other comprehensive income	-	-	16,639	27,647	829	2,714	-	-	3,588	**51,417**
Profit for the year	-	211,695	-	-	-	-	-	-	543	**212,238**
Total comprehensive income for the year	**-**	**211,695**	**16,639**	**27,647**	**829**	**2,714**	**-**	**-**	**4,131**	**263,655**
Cost of share based payments	-	-	-	-	-	-	447	-	-	**447**
Reversal of share based payments	-	-	-	-	-	-	(27)	-	-	**(27)**
Acquisition of non-controlling Interest	-	-	-	-	-	-	-	(7,313)	(16,513)	**(23,826)**
Dividends paid	-	(111,543)	-	-	-	-	-	-	(405)	**(111,948)**
Distribution to members	-	-	-	-	-	-	-	-	(1,050)	**(1,050)**
At 30 June 2014	**259,610**	**2,109,032**	**91,184**	**23,846**	**7,279**	**(6,110)**	**8,587**	**(22,051)**	**19,729**	**2,491,106**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

	Attributable to Equity Holders of the Parent									
	Contributed Equity	Retained Profits	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve	Employee Equity Benefits Reserve	Acquisition Reserve	Non-controlling Interests	TOTAL EQUITY
	$000	$000	$000	$000	$000	$000	$000	$000	$000	**$000**
At 1 July 2012	259,610	1,956,966	72,229	(35,369)	3,354	(13,886)	7,786	(14,738)	30,930	**2,266,882**
Other comprehensive income:										
Revaluation of land and buildings	-	-	2,316	-	-	-	-	-	1,594	**3,910**
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	737	-	-	-	**737**
Currency translation differences	-	-	-	31,568	-	-	-	-	2,848	**34,416**
Fair value of interest rate swaps	-	-	-	-	-	4,318	-	-	-	**4,318**
Fair value of forward foreign exchange contracts	-	-	-	-	-	7	-	-	-	**7**
Fair value of available for sale financial assets	-	-	-	-	3,096	-	-	-	-	**3,096**
Other comprehensive income	-	-	2,316	31,568	3,096	5,062	-	-	4,442	**46,484**
Profit for the year	-	142,211	-	-	-	-	-	-	2,266	**144,477**
Total comprehensive income for the year	**-**	**142,211**	**2,316**	**31,568**	**3,096**	**5,062**	**-**	**-**	**6,708**	**190,961**
Cost of share based payments	-	-	-	-	-	-	555	-	-	**555**
Reversal of share based payments	-	-	-	-	-	-	(174)	-	-	**(174)**
Dividends paid	-	(90,297)	-	-	-	-	-	-	(1,403)	**(91,700)**
Distribution to members	-	-	-	-	-	-	-	-	(2,669)	**(2,669)**
At 30 June 2013	**259,610**	**2,008,880**	**74,545**	**(3,801)**	**6,450**	**(8,824)**	**8,167**	**(14,738)**	**33,566**	**2,363,855**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	CONSOLIDATED June 2014 $000	CONSOLIDATED June 2013 $000
Cash Flows from Operating Activities		Inflows/(Outflows)	
Net receipts from franchisees		871,251	737,966
Receipts from customers		1,590,489	1,393,735
Payments to suppliers and employees		(1,994,315)	(1,797,970)
Distributions received from joint ventures		15,512	11,632
GST paid		(39,087)	(28,425)
Interest received		8,874	11,672
Interest and other costs of finance paid		(36,583)	(45,945)
Income taxes paid		(78,626)	(44,764)
Dividends received		1,420	1,316
Net Cash Flows From Operating Activities	28(b)	338,935	239,217
Cash Flows used in Investing Activities			
Payments for purchases of property, plant and equipment and intangible assets		(66,617)	(73,578)
Payments for purchase of investment properties		(54,665)	(101,771)
Proceeds from sale of property, plant and equipment and properties held for resale		10,459	4,297
Payments for purchase of units in unit trusts		(106)	(126)
Payments for purchase of equity accounted investments		(2,608)	(122)
Proceeds from sale of listed securities		134	10,993
Proceeds from insurance claims		1,647	-
Payments for purchase of listed securities		-	(994)
Loans granted to other entities		(1,361)	(46,880)
Net Cash Flows Used In Investing Activities		(113,117)	(208,181)
Cash Flows used in Financing Activities			
Payments for purchase of shares in controlled entities		(22,618)	-
(Repayments of) / proceeds from Syndicated Facility and Syndicated Working Capital Facility		(122,855)	45,000
Dividends paid		(111,543)	(90,297)
Loans repaid from / (granted to) related parties		19,925	(11,831)
Proceeds from other borrowings		1,878	10,566
Net Cash Flows Used In Financing Activities		(235,213)	(46,562)
Net Decrease in Cash and Cash Equivalents		(9,395)	(15,526)
Cash and Cash Equivalents at Beginning of the Year		124,567	140,093
Cash and Cash Equivalents at End of the Year	28(a)	115,172	124,567

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies

(a) Corporate Information

Harvey Norman Holdings Limited (the "Company") is a for profit company limited by shares incorporated in Australia and operating in Australia, New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia whose shares are publicly traded on the Australian Securities Exchange ("ASX") trading under the ASX code HVN.

(b) Basis of Preparation

The financial report has been prepared on a historical cost basis, except for investment properties, land and buildings, derivative financial instruments, listed shares held for trading and available-for-sale investments, which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

The consolidated financial statements of the Company and its subsidiaries (the "consolidated entity") for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 29 September 2014.

(c) Statement of Compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and interpretations, and complies with other requirements of the law. The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the annual reporting period ended 30 June 2014. For details on the impact of future accounting standards, refer to page 74.

(d) Summary of Significant Accounting Policies

(i) Changes in accounting policy, disclosures, standards and interpretations

New and amended standards and interpretations

The consolidated entity has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

- AASB 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to AASB 7
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits (Revised 2011)
- Improvements to AASBs 2009-2011 Cycle

The consolidated entity has applied, for the first time, certain standards and amendments that may require restatement of previous financial statements. These include AASB 11 Joint Arrangements, AASB 13 Fair Value Measurement and amendments to AASB 101 Presentation of Financial Statements.

Several other amendments apply for the first time for the year ended 30 June 2014. However, they do not impact the annual consolidated financial statements of the consolidated entity or the interim consolidated financial statements.

The nature and the impact of each new standard and amendment is described below.

AASB 11 Joint Arrangements
An associate is an entity over which the consolidated entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Changes in accounting policy, disclosures, standards and interpretations (continued)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Prior to the adoption of AASB 11, all investments in associates and joint ventures of the consolidated entity were accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the consolidated entity's share of net assets of the associate or joint venture since the acquisition date. The statement of profit or loss reflects the consolidated entity's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the consolidated entity's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the consolidated entity recognises its share of any changes, when applicable, in the statement of changes in equity.

The application of AASB 11 has impacted the accounting treatment applied to the consolidated entity's interests in several joint ventures of property assets, primarily relating to the joint ownership of shopping complexes, resort operations and residential/convention developments. The land and building assets are owned by each joint venturer as tenants in common in their respective shares, whereas the day-to-day management of the property joint venture is conducted via separate joint venture entities. Prior to the transition to AASB 11, these joint ventures were classified as joint venture entities and accounted for using the equity method. Upon adoption of AASB 11, the ownership of the joint venture land and buildings assets are classified as joint venture operations and the consolidated entity's share of land and building assets are proportionately consolidated in the consolidated financial statements within investment properties. The day-to-day management of the property joint ventures are conducted via separate joint venture entities, therefore the consolidated entity has continued to apply the equity method to these transactions.

The transition was applied retrospectively as required by AASB 11 and the comparative information for the immediately preceding period (June 2013) was restated. The effect of applying AASB 11 on the consolidated entity's financial statements is a reclassification of land and building assets from investments accounted for using the equity method to investment property assets, according to the consolidated entity's proportionate interest, with no resultant change in total non-current assets for each of the preceding periods. The transition did not have any impact on either the statement of comprehensive income or the statement of cash flows for the period or the consolidated entity's basic or diluted earnings per share. The transition did not have any impact on net profit after tax and non-controlling interests, but it resulted in a reclassification of amounts previously classified as the share of joint venture property revaluations to the net revaluation decrement for Australian investment properties (included in the occupancy expenses line in the income statement). The reclassified amount was an increment of $7.80 million before tax for the year ended 30 June 2013.

Increase/(Decrease) in Non-Current Assets and Impact on Equity:

	June 2013 $000
Investments accounted for using equity method	(158,796)
Investment properties	158,796
Total non-current assets	-
Net impact on equity	-

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. As a result of the guidance in AASB 13, the consolidated entity re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. AASB 13 also requires additional disclosures. Application of AASB 13 has not materially impacted the fair value measurements of the consolidated entity. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Notes 13, 14 and 35.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Changes in accounting policy, disclosures, standards and interpretations (continued)

AASB 101 Presentation of Items of Other Comprehensive Income – Amendments to AASB 101

The amendments to AASB 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on available for sale financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the consolidated entity's financial position or performance.

AASB 101 Clarification of the requirement for comparative information (Amendment)

These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position (as at 1 July 2012 in the case of the consolidated entity), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the consolidated entity has not included comparative information in respect of the opening statement of financial position as at 1 July 2012. The amendments affect presentation only and have no impact on the consolidated entity's financial position or performance.

AASB 119 Employee Benefits (revised 2011)

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The amendments have no material impact on the consolidated entity's financial position or performance.

(ii) Significant accounting judgements, estimates and assumptions

Significant accounting judgements:

In applying the consolidated entity's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the consolidated entity. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Operating lease commitments – consolidated entity as lessor

The entity has entered into commercial property leases on its investment property portfolio. The entity has determined that it retains all the significant risks and rewards of ownership of these properties and has classified the leases as operating leases.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Significant accounting estimates and assumptions:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Revaluation of investment properties

The consolidated entity values investment properties at fair value. The valuations are determined by independent valuations by external valuers or reviewed internally by the Property Review Committee and the directors of the Company. Independent valuations are performed by external, professionally qualified valuers who hold a recognised, relevant professional qualification and have specialised expertise in the properties valued. The properties are valued under the income capitalisation method of valuation based on either net market rent or normalised net operating income generated by the property and market capitalisation rates deemed appropriate for a 30-day rental agreement. The key assumptions used to determine the fair value of the investment properties, and the relevant sensitivity analysis, is disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(ii) Significant accounting judgements, estimates and assumptions (continued)

Revaluation of property, plant and equipment

The consolidated entity values land and buildings at fair value. The valuations are determined by independent valuations by external valuers or reviewed internally by the Property Review Committee and the directors of the Company. The key assumptions used to determine the fair value of owner-occupied land and buildings, and the relevant sensitivity analysis, is disclosed in Note 13.

Revaluation of investment properties under construction

An investment property under construction is valued at fair value if it can be reliably determined. If a fair value cannot be reliably determined, then the investment property under construction is measured at cost. The fair value of an investment property under construction is determined under the income capitalisation method of valuation by estimating the fair value of the property at completion date less the remaining costs to complete and allowances for associated risk.

Impairment of non-financial assets other than goodwill

The consolidated entity performs an impairment assessment for all non-financial assets at each reporting date by evaluating the conditions specific to the consolidated entity and the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

Make good provisions

Provisions are recognised for the anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with dismantling and removing the assets and restoring the leased premises according to contractual arrangements. These future cost estimates are discounted to their present value. The related carrying amounts are disclosed in Note 19.

Onerous lease provisions

The provision for onerous lease costs represents the present value of the future lease payments that the consolidated entity is presently obligated to make in respect of onerous lease contracts under non-cancellable operating lease agreements. This obligation may be reduced by the revenue expected to be earned on the lease including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The related carrying amounts are disclosed in Note 19.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms or beyond the terms specified in the loan agreement, the likelihood of recovery of these receivables is assessed by management.

Due to the large number of debtors, trade receivables are assessed based on supportable past collection history and historical bad debt write-offs. Non-trade debts receivable are assessed on an individual basis if impairment indicators are present. The impairment loss is disclosed in Note 6.

(iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of Harvey Norman Holdings Limited and its controlled entities. Control is achieved when the consolidated entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the consolidated entity controls an investee if and only if the consolidated entity has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the consolidated entity has less than a majority of the voting or similar rights of an investee, the consolidated entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The consolidated entity’s voting rights and potential voting rights

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(iii) Basis of consolidation (continued)

The consolidated entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the consolidated entity obtains control over the subsidiary and ceases when the consolidated entity loses control of the subsidiary. Franchisees are not controlled by the consolidated entity and have not been consolidated.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with the consolidated entity's policy and generally accepted accounting principles in Australia.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the Parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as an equity transaction.

(iv) Investment in associates and joint ventures

An associate is an entity over which the consolidated entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control or have joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates and joint ventures are brought to account using the equity method of accounting in the consolidated financial statements. Under this method, the investment in associates and joint ventures is initially recognised at its cost of acquisition and its carrying value is subsequently adjusted for increases or decreases in the investor's share of post-acquisition results and reserves of the associates and joint ventures. The investment in associates and joint ventures is decreased by the amount of distributions received. After application of the equity method, the consolidated entity determines whether it is necessary to recognise any impairment loss with respect to the entity's net investment in the associates and joint ventures.

Joint venture land and building assets, primarily relating to the joint ownership of shopping complexes, resort operations and residential/convention developments, are directly owned by each joint venturer as tenants in common in their respective shares. Joint venture land and buildings assets are classified as joint venture operations and the consolidated entity's share of land and building assets are proportionately consolidated in the consolidated financial statements within investment properties.

(v) Foreign currency translation

Both the functional and presentation currency of Harvey Norman Holdings Limited and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at balance date.

All differences in the consolidated financial report are taken to the income statement in the period they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of overseas subsidiaries is the currency commonly used in their respective countries. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the consolidated entity at the rate of exchange prevailing at the balance date and the income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on retranslation for consolidation are recognised in other comprehensive income. On disposal of a foreign entity, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(vi) Property, plant and equipment

Plant and equipment assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at fair value less accumulated depreciation on buildings and leasehold land and any impairment losses recognised at the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:
- Land – not depreciated
- Leasehold land – lease term
- Buildings under construction – not depreciated
- Buildings – 20 to 40 years
- Owned plant and equipment – 3 to 20 years
- Plant and equipment under finance lease – 1 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For plant and equipment, impairment losses are recognised in the income statement. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Revaluation of owner-occupied properties

Following initial recognition at cost, owner-occupied land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and leasehold land and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Owner-occupied properties, upon any revaluation, are valued at fair value, determined by independent licensed valuers, or directors' valuations where necessary.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the statement of financial position unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(vii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(viii) Investment properties

Investment properties

Initially, investment properties, which is property held to earn rentals and / or for capital appreciation are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the income statement in the period of derecognition.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Properties located in the Australian Capital Territory ("ACT") which are held under a 99 year ground crown land sublease from the Commonwealth Government are not amortised over the remaining life of the lease, as the expectation is that these leases will be renewed at minimal cost once they expire. Properties located in the ACT have been accounted for as investment properties as they are primarily held to earn rental income.

Each investment property is valued at fair value. Each investment property is the subject of a lease or licence in favour of independent third parties, including Harvey Norman, Domayne and Joyce Mayne franchisees ("Franchisees"). Franchisees occupy properties pursuant to a licence for an initial term of 30 days, thereafter terminable at will. The fair value in respect of each investment property has been calculated using the income capitalisation valuation method, against current market rental value, and having regard to, in respect of each property:

- the highest and best use
- quality of construction
- age and condition of improvements
- recent market sales data in respect of comparable properties
- current market rental value, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction
- tenure of Franchisees and external tenants
- adaptive reuse of buildings
- non-reliance on turnover rent
- the specific circumstances of the property not included in any of the above points

The income capitalisation valuation method is used for all valuations. A discounted cash flow valuation or a direct sale comparison valuation is undertaken as a secondary check method of the capitalisation approach. There were no material differences between the capitalisation method result and the discounted cash flow method result.

Investment properties under construction

Investment properties under construction are valued at fair value if fair value can be reliably determined. The assessment of fair value may be based on an internal assessment conducted by the consolidated entity which may engage independent, qualified valuers to assist in the valuation process.

The income capitalisation method of valuation is used for all investment properties under construction. A discounted cash flow valuation or a direct sale comparison valuation is undertaken in respect of the same properties as a secondary check method of the capitalisation approach.

(ix) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition.

(ix) Goodwill (continued)

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Impairment losses recognised for goodwill are not subsequently reversed.

(x) Intangible assets

Intangible assets, consisting of capitalised computer software assets and licence property, are initially recorded at cost and are amortised on a straight line basis over their estimated useful lives but not greater than a period of nine and a half (9.5) years.

Intangible assets are tested for impairment where an indicator of impairment exists, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the income statement when the intangible asset is derecognised.

(xi) Impairment of non-financial assets

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The consolidated entity bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the consolidated entity's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five (5) years.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired assets, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the consolidated entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(xii) Financial instruments – initial recognition and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The consolidated entity determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

The consolidated entity's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted financial instruments and derivative financial instruments.

The subsequent measurement of financial assets depends on their classification as described below:

- Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

- Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the consolidated entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment with revenue recognised on an effective yield basis.

- Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Interest income is recognised by applying the effective interest rate.

- Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business at balance date. For investments with no active market, fair values are determined using valuation techniques. Dividends on available-for-sale equity instruments are recognised in the income statement when the consolidated entity's right to receive the dividends is established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The consolidated entity has transferred its rights to receive cash flows from the asset or has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The consolidated entity assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(xii) Financial instruments – initial recognition and subsequent measurement (continued)

the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments or the probability that they will enter bankruptcy.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the consolidated entity. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited in the income statement.

For available-for-sale financial investments, the consolidated entity assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The consolidated entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The consolidated entity's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

The measurement of financial liabilities depends on their classification, described as follows:

- Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the income statement. Financial liabilities designated upon initial recognition at fair value through profit and loss only if the criteria of AASB 139 are satisfied. The consolidated entity has not designated any financial liability as at fair value through profit or loss.

- Loans and borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 35(e).

(xiii) Inventories

Inventories are valued at the lower of cost and net realisable value and are recorded net of all volume rebates, marketing and business development contributions and settlement discounts. Costs are on a weighted average basis and include the acquisition cost, freight, duty and other inward charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(xiv) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

During the year the consolidated entity reassessed the classification of certain cash flow transactions. This resulted in a reclassification within the statement of cash flows for the current year. The prior year comparative balances have been restated for consistency.

(xv) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows, at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost, in the income statement.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(xvi) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(xvii) Share-based payment transactions

The consolidated entity provides benefits to certain employees (including executive directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (“equity-settled transactions”).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer either using a binomial valuation methodology or Black Scholes-Merton valuation methodology. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the present opinion of the directors of *(xvii) Share-based payment transactions (continued)*

the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(xviii) Leases

Consolidated entity as lessor

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Consolidated entity as lessee

Finance leases, which transfer to the consolidated entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Lease incentives

Financial incentive contributions received from lessors of certain stores are recognised at their fair value on receipt as a liability in the financial statements.

The liability is reduced and recognised as income, by offsetting against occupancy expenses in the income statement over the period the consolidated entity expects to derive a benefit from the incentive contribution. Lease incentives are normally amortised to the income statement on a straight-line basis over the term of the lease.

(xix) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer. Lay-by sales are recognised after the final payment is received from the customer.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(xix) Revenue (continued)

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Contingent rental income is recognised as income in the periods in which it is earned.

Franchisee income

Revenue attributable to franchise fees is brought to account only when the franchise fees have been earned, or where franchise fees are unpaid but recovery is certain.

(xx) Income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the consolidated entity operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(xxi) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows exclude GST. The GST component of cash flows arising from operating, investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(xxii) Derivative financial instruments

The consolidated entity uses derivative financial instruments such as foreign currency contracts to hedge its risks associated with foreign currency fluctuations and interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps is calculated with reference to current interest rates for contracts with similar maturity profiles.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the consolidated entity formally designates and documents the hedge relationship to which the consolidated entity wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Foreign currency contracts and interest rate swaps are generally considered to be cash flow hedges. In relation to cash flow hedges to hedge firm commitments which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in the income statement. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast purchase occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is kept in other comprehensive income until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the income statement.

(xxiii) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(xxiv) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted EPS is calculated as net profit attributable to members, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(xxv) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The consolidated entity aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:
- nature of the products and services,
- nature of the production processes,
- type or class of customer for the products and services,
- methods used to distribute the products or provide the services, and if applicable
- nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(xxvi) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the consolidated entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(e) Future Accounting Standards

Certain Australian Accounting Standards and UIG Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the year ended 30 June 2014.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	1 July 2014
AASB 9	Financial Instruments	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at	1 January 2018	The consolidated entity is in the process of assessing the impact on the consolidated entity's financial statements and disclosures.	1 July 2018

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ▪ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▪ The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.			
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (AASB 139)	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	1 July 2014
AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. Annual Improvements to IFRSs 2010–	1 July 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements.	1 July 2014

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		2012 Cycle addresses the following items: ▪ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▪ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▪ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▪ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ▪ AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.			
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ▪ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ▪ AASB140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	1 July 2014

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 1031	Materiality	The revised AASB 1031 is an interim standard that cross-references to other Standards and the *Framework* (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031.	1 January 2014	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. ▪ Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. ▪ Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. ▪ Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.	Part A – 20 December 2013 Part B – 1 January 2014 Part C – 1 January 2015	The amendments are not expected to have any material impact on the consolidated entity's financial statements and disclosures.	Part A – 30 June 2014 Part B – 1 July 2014 Part C – 1 July 2015

*designates the beginning of the applicable annual reporting period

2. Operating Segments

Operating Segment Revenue: 30 June 2014	June 2014 $000 Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Segment Revenue
FRANCHISING OPERATIONS	3,479	810,538	814,017
Retail – New Zealand	677,167	17,109	694,276
Retail – Asia	371,183	3,622	374,805
Retail – Slovenia & Croatia	95,547	854	96,401
Retail – Ireland & Northern Ireland	220,288	2,753	223,041
Other Non-Franchised Retail	140,354	2,626	142,980
TOTAL RETAIL	1,504,539	26,964	1,531,503
Retail Property	121	213,454	213,575
Property Developments for Resale	5,523	320	5,843
TOTAL PROPERTY	5,644	213,774	219,418
Equity Investments	-	4,491	4,491
Other	-	13,040	13,040
Inter-company eliminations	-	(35,183)	(35,183)
Total Segment Revenue	**1,513,662**	**1,033,624**	**2,547,286**

Operating Segment Revenue: 30 June 2013	June 2013 $000 Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Segment Revenue
FRANCHISING OPERATIONS	3,849	822,201	826,050
Retail – New Zealand	587,917	12,432	600,349
Retail – Asia	350,112	3,818	353,930
Retail – Slovenia & Croatia	80,246	568	80,814
Retail – Ireland & Northern Ireland	181,260	3,167	184,427
Non-Franchised Retail: Clive Peeters & Rick Hart	-	8	8
Other Non-Franchised Retail	117,291	2,251	119,542
TOTAL RETAIL	1,316,826	22,244	1,339,070
Retail Property	128	197,062	197,190
Property Developments for Resale	2,678	642	3,320
TOTAL PROPERTY	2,806	197,704	200,510
Equity Investments	-	7,235	7,235
Other	-	16,859	16,859
Inter-company eliminations	-	(30,692)	(30,692)
Total Segment Revenue	**1,323,481**	**1,035,551**	**2,359,032**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Operating Segments (continued)

Operating Segment Result: 30 June 2014	June 2014 $000 Segment Result Before Interest, Taxation, Depreciation, Impairment & Amortisation	Interest Expense	Depreciation Expense	Amortisation & Impairment Expense	Segment Result Before Tax
FRANCHISING OPERATIONS	198,689	(9,240)	(37,495)	(8,236)	**143,718**
Retail – New Zealand	58,389	(5)	(8,590)	(42)	**49,752**
Retail – Asia	2,266	(37)	(4,712)	(537)	**(3,020)**
Retail – Slovenia & Croatia	5,544	(523)	(1,881)	(124)	**3,016**
Retail – Ireland & Northern Ireland	(16,570)	(2,847)	(2,723)	-	**(22,140)**
Non-Franchised Retail - Clive Peeters & Rick Hart	(972)	(525)	-	-	**(1,497)**
Other Non-Franchised Retail	5,613	(1,408)	(1,530)	(68)	**2,607**
TOTAL RETAIL	54,270	(5,345)	(19,436)	(771)	**28,718**
Retail Property	152,626	(21,025)	(6,996)	(228)	**124,377**
Property Developments for Resale	(569)	(143)	-	-	**(712)**
TOTAL PROPERTY	152,057	(21,168)	(6,996)	(228)	**123,665**
Equity Investments	4,430	(223)	-	-	**4,207**
Other	6,617	(1,176)	(4,471)	(217)	**753**
Inter-company eliminations	(715)	715	-	-	**-**
Total Segment Result Before Tax	**415,348**	**(36,437)**	**(68,398)**	**(9,452)**	**301,061**

Operating Segment Result: June 2013	June 2013 $000 Segment Result Before Interest, Taxation, Depreciation, Impairment & Amortisation	Interest Expense	Depreciation Expense	Amortisation & Impairment Expense	Segment Result Before Tax
FRANCHISING OPERATIONS	178,869	(12,302)	(42,643)	(10,492)	**113,432**
Retail – New Zealand	49,270	(3)	(7,322)	(27)	**41,918**
Retail – Asia	9,587	(30)	(6,587)	(31)	**2,939**
Retail – Slovenia & Croatia	4,688	(1,130)	(1,566)	(78)	**1,914**
Retail – Ireland & Northern Ireland	(25,028)	(3,109)	(2,378)	-	**(30,515)**
Non-Franchised Retail - Clive Peeters & Rick Hart	(4,843)	(697)	-	-	**(5,540)**
Other Non-Franchised Retail	4,717	(1,331)	(1,513)	(60)	**1,813**
TOTAL RETAIL	38,391	(6,300)	(19,366)	(196)	**12,529**
Retail Property	99,881	(25,266)	(12,108)	-	**62,507**
Property Under Construction for Retail	(653)	(36)	-	-	**(689)**
Property Developments for Resale	(2,871)	(426)	(2)	-	**(3,299)**
TOTAL PROPERTY	96,357	(25,728)	(12,110)	-	**58,519**
Equity Investments	7,234	(262)	-	-	**6,972**
Other	3,291	(2,007)	(4,724)	(66)	**(3,506)**
Inter-company eliminations	(825)	825	-	-	**-**
Total Segment Result Before Tax	**323,317**	**(45,774)**	**(78,843)**	**(10,754)**	**187,946**

2. Operating Segments (continued)

Operating Segment Assets and Liabilities: 30 June 2014	June 2014 $000 Segment Assets Segment Assets	Segment Assets Inter-company Eliminations	Segment Assets After Eliminations	Segment Liabilities Segment Liabilities	Segment Liabilities Inter-company Eliminations	Segment Liabilities After Eliminations
FRANCHISING OPERATIONS	3,302,429	(2,020,117)	1,282,312	1,015,187	(215,667)	799,520
Retail – New Zealand	214,490	-	214,490	62,094	(3,407)	58,687
Retail – Asia	125,588	(1,194)	124,394	90,665	(37,901)	52,764
Retail – Slovenia & Croatia	41,699	(1,988)	39,711	37,847	(392)	37,455
Retail – Ireland & Northern Ireland	51,836	-	51,836	328,715	(221,703)	107,012
Non-Franchised Retail – Clive Peeters and Rick Hart	14,459	(14,459)	-	60,415	(52,333)	8,082
Other Non-Franchised Retail	91,002	(17,463)	73,539	99,659	(53,855)	45,804
TOTAL RETAIL	539,074	(35,104)	503,970	679,395	(369,591)	309,804
Retail Property	2,319,832	(42,650)	2,277,182	1,786,509	(1,421,410)	365,099
Property Developments for Resale	13,399	(11)	13,388	17,269	(15,061)	2,208
TOTAL PROPERTY	2,333,231	(42,661)	2,290,570	1,803,778	(1,436,471)	367,307
Equity Investments	36,078	-	36,078	3,428	-	3,428
Other	123,234	(30,033)	93,201	128,030	(106,186)	21,844
Total Segment Assets / Liabilities Before Tax Assets / Tax Liabilities	**6,334,046**	**(2,127,915)**	**4,206,131**	**3,629,818**	**(2,127,915)**	**1,501,903**

Operating Segment Assets and Liabilities: 30 June 2013	June 2013 $000 Segment Assets Segment Assets	Segment Assets Inter-company Eliminations	Segment Assets After Eliminations	Segment Liabilities Segment Liabilities	Segment Liabilities Inter-company Eliminations	Segment Liabilities After Eliminations
FRANCHISING OPERATIONS	3,208,043	(1,970,249)	1,237,794	1,242,032	(467,944)	774,088
Retail – New Zealand	172,537	-	172,537	50,773	(1,261)	49,512
Retail – Asia	140,401	(1,536)	138,865	77,986	(28,008)	49,978
Retail – Slovenia & Croatia	38,852	(1,922)	36,930	34,683	(367)	34,316
Retail – Ireland & Northern Ireland	46,939	-	46,939	263,782	(186,532)	77,250
Non-Franchised Retail – Clive Peeters and Rick Hart	13,634	(13,634)	-	52,110	(52,333)	(223)
Other Non-Franchised Retail	79,656	(16,696)	62,960	102,615	(68,297)	34,318
TOTAL RETAIL	492,019	(33,788)	458,231	581,949	(336,798)	245,151
Retail Property	2,211,098	(45,949)	2,165,149	1,560,792	(1,132,226)	428,566
Property Under Construction for Retail	9,477	(15)	9,462	1,979	(1,494)	485
Property Developments for Resale	31,222	(29)	31,193	45,004	(38,911)	6,093
TOTAL PROPERTY	2,251,797	(45,993)	2,205,804	1,607,775	(1,172,631)	435,144
Equity Investments	31,523	-	31,523	4,041	-	4,041
Other	150,652	(47,368)	103,284	144,607	(120,025)	24,582
Total Segment Assets / Liabilities Before Tax Assets / Tax Liabilities	**6,134,034**	**(2,097,398)**	**4,036,636**	**3,580,404**	**(2,097,398)**	**1,483,006**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Operating Segments (continued)

The consolidated entity operates predominantly in twelve (12) operating segments:

Operating Segment	Description of Segment
Franchising Operations	Consists of the franchising operations of the consolidated entity (other than retailing, property and financial services).
Retail – New Zealand	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in New Zealand under the Harvey Norman and Norman Ross brand names. The Norman Ross stores were rebranded to Harvey Norman in February 2013.
Retail – Asia	Consists of the controlling interest of the consolidated entity in the retail trading operations in Singapore and Malaysia under the Harvey Norman and Space brand names.
Retail – Slovenia & Croatia	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in Slovenia and Croatia under the Harvey Norman brand name.
Retail – Ireland & Northern Ireland	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in Ireland and Northern Ireland under the Harvey Norman brand name.
Non-Franchised Retail – Clive Peeters & Rick Hart	Consists of the wholly-owned operations of the consolidated entity under the Clive Peeters and Rick Hart brand names prior to the restructure.
Non-Franchised Retail	Consists of the retail trading operations in Australia which are controlled by the consolidated entity and do not include any operations of Harvey Norman, Domayne and Joyce Mayne franchisees. This segment includes the Space brand in Malaysia.
Retail Property	Consists of land and buildings for each retail site and mining accommodation operation that is fully operational or is ready and able to be tenanted. The revenue and results of this segment consists of rental income, outgoings recovered and the net property revaluation increments and/or decrements recognised in the Income Statement for each site that is owned by the consolidated entity which is fully operational (or ready for operations) as at balance date.
Property Under Construction for Retail	Consists of sites that are currently undergoing construction at balance date intended for retail leasing. It also includes vacant land that has been purchased for the purposes of generating future investment income and facilitating the expansion and operation of the franchising operations.
Property Developments for Resale	Consists of land and buildings acquired by the consolidated entity, to be developed, or currently under development, for the sole purpose of resale at a profit.
Equity Investments	This segment refers to the trading of, and investment in, listed securities.
Other	This segment primarily relates to credit facilities provided to unrelated parties and other unallocated income and expense items.

	Consolidated 2014 $000	Consolidated 2013 $000
3. Revenues		
Sales revenue:		
Revenue from the sale of products	1,513,662	1,323,481
Revenues and other income items:		
Gross revenue from franchisees:		
- Franchise fees	661,864	659,252
- Rent	232,828	227,355
- Interest	26,982	29,628
Total revenue received from franchisees	921,674	916,235
Gross revenue from other unrelated parties:		
- Rent received from external tenants	60,858	57,772
- Interest received from financial institutions and other parties	8,874	11,672
- Dividends received	1,749	1,644
Total revenue from other unrelated parties	71,481	71,088
Other income items:		
- Property revaluation adjustment for overseas controlled entity	-	1,232
- Net profit on the revaluation of equity investments to fair value	2,742	5,590
- Net foreign exchange gains	588	1,336
- Other revenue	37,139	40,070
Total other income items	40,469	48,228
Total revenues and other income items	1,033,624	1,035,551
4. Expenses and Losses		
Tactical support:		
Tactical support provided to franchisees	103,191	128,460
Depreciation, amortisation and impairment: **(included in administrative expenses line in the Income Statement)**		
Depreciation of:		
- Buildings and leasehold land	7,656	5,339
- Plant and equipment	60,742	73,504
Amortisation of:		
- Computer software	9,007	10,688
- Licences	228	-
Impairment of:		
- Capitalised IT Projects	195	60
- Other assets	22	6
Total depreciation, amortisation and impairment	77,850	89,597

	CONSOLIDATED	
	2014	2013
	$000	$000

4. Expenses and Losses (continued)

	2014 $000	2013 $000
Finance costs:		
Interest paid or payable:		
- Loans from directors and director-related entities	1,394	1,789
- Bank interest paid to financial institutions	33,725	42,505
- Other	1,318	1,480
Total finance costs	36,437	45,774
Employee benefits expense:		
- Wages and salaries	210,382	185,209
- Workers' compensation costs	603	506
- Superannuation contributions expense	11,610	9,752
- Payroll tax expense	8,653	7,710
- Share-based payments expense	419	380
- Other employee benefits expense	7,068	5,424
Total employee benefits expense	238,735	208,981
Property revaluation decrements (included in occupancy expenses):		
- Net revaluation decrement for Australian investment properties	9,529	60,347
- Net revaluation decrement for overseas controlled entities	2,123	-
Total net property revaluation decrements	11,652	60,347

5. Income Tax

	2014 $000	2013 $000
(a) *Income tax recognised in the income statement*		
The major components of income tax expense are:		
Current income tax:		
Current income tax charge	82,351	73,165
Adjustments in respect of current income tax of previous years	(25)	150
Adjustment of income tax on exempt foreign transactions in prior years	-	(13,601)
Support payments provided to Harvey Norman Holdings (Ireland) Limited as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012	(3,545)	(3,741)
Deferred income tax:		
Relating to the origination and reversal of temporary differences	10,042	(12,504)
Total income tax expense reported in the income statement	88,823	43,469
(b) *Income tax recognised in the statement of changes in equity*		
The following deferred amounts were charged directly to equity during the year:		
Deferred income tax:		
Net gain on revaluation of cash flow hedges	1,143	2,169
Net gain on revaluation of land and buildings	8,164	4,423
Total income tax expense reported in equity	9,307	6,592

	CONSOLIDATED 2014 $000	CONSOLIDATED 2013 $000
5. Income Tax (continued)		
(c) Reconciliation between income tax expense and prima facie income tax: A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:		
Accounting profit before tax	301,061	187,946
At the consolidated entity's statutory income tax rate of 30% (2013: 30%)	90,318	56,384
Adjustments to arrive at total income tax expense recognised for the year:		
Adjustment of income tax on exempt foreign transactions in prior years	-	(13,601)
Support payments provided to Harvey Norman Holdings (Ireland) Limited as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012	(3,545)	(3,741)
Adjustments in respect of current income tax of previous years	(25)	150
Share-based payment expenses	126	114
Expenditure not allowable for income tax purposes	11	57
Income not assessable for income tax purposes	(3,949)	(2,326)
Unrecognised tax losses	7,678	9,165
Utilisation of tax losses	6	(40)
Reversal of deferred tax balances raised in previous years	455	-
Tax concession for research and development expenses	(1,190)	(742)
Difference between tax capital gain and accounting profit on asset sales	(70)	365
Non-allowable building and motor vehicle depreciation	226	(5)
Receipt of fully franked dividends	(555)	(518)
Sundry items	(377)	(590)
Effect of different rates of tax on overseas income and exchange rate differences	(286)	(1,203)
Total adjustments	(1,495)	(12,915)
Total income tax expense reported in the income statement	88,823	43,469

The consolidated entity has not recognised deferred tax assets relating to tax losses of $279.39 million (2013: $257.94 million) which are available for offset against taxable profits of the companies in which the losses arose. The tax losses of $279.39 million as at 30 June 2014 do not include the adjustments relating to support payments provided to Harvey Norman Holdings (Ireland) Limited as agreed under the terms of an Advance Pricing Arrangement with the Australian Taxation Office dated 6 February 2012.

At 30 June 2014, there are no recognised or unrecognised deferred income tax liability (2013: Nil) for taxes that would be payable on the unremitted earnings of certain subsidiaries, associates or joint ventures, as the consolidated entity has no liability for additional taxation should such amounts be remitted.

Tax consolidation

Harvey Norman Holdings Limited and its 100% owned Australian resident subsidiaries are members of a tax consolidated group. Harvey Norman Holdings Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Wholly owned companies of the tax consolidated group have entered into a tax funding agreement. The funding agreement provides for the allocation of current and deferred taxes on a modified standalone basis in accordance with the principles as outlined in UIG 1052 Tax Consolidation Accounting.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated entity Head Company Harvey Norman Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Income Tax (continued)

	Statement of Financial Position		Income Statement	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
(d) Deferred income tax assets and liabilities:				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities:				
Revaluations of investment properties to fair value	**(98,328)**	(102,689)	**(2,289)**	(17,928)
Revaluations of owner-occupied land and buildings to fair value	**(22,987)**	(16,213)	**-**	-
Non-allowable building depreciation due to a legislative change in New Zealand	**(19,925)**	(18,989)	**(1,566)**	435
Reversal of building depreciation expense for investment properties	**(49,375)**	(39,943)	**9,305**	7,137
Differences between accounting carrying amount and tax cost base of computer software assets	**(478)**	(772)	**269**	26
Unrealised profits on investments	**-**	-		(369)
Accretion of FAST receivables	**(3,593)**	(3,576)	**18**	34
Research and development	**(13,499)**	(11,366)	**2,133**	539
Other items	**-**	(805)	**1,220**	(187)
	(208,185)	(194,353)		
CONSOLIDATED				
Deferred tax assets:				
Employee provisions	**5,446**	4,904	**(434)**	(70)
Unused tax losses and tax credits	**141**	350	**209**	(37)
Other provisions	**380**	2,791	**172**	(755)
Provision for lease makegood	**123**	184	**61**	31
Provision for deferred lease expenses	**1,656**	1,592	**(64)**	(102)
Lease incentives	**492**	596	**104**	(153)
Provision for executive remuneration	**794**	437	**(357)**	-
Inventory valuation adjustments	**1,565**	1,565	**-**	-
Unrealised losses on investments	**(777)**	114	**880**	(114)
Revaluations of owner-occupied land and buildings to fair value	**908**	908	**-**	-
Finance leases	**1,900**	2,694	**794**	(35)
Discount interest-free receivables	**3,608**	3,599	**(10)**	(10)
Equity-accounted investments	**75**	2,131	**3**	(4)
Provisions for onerous leases	**278**	1,114	**838**	(480)
Revaluation of interest rate swaps to fair value	**2,616**	3,777	**-**	-
Other items	**-**	1,639	**(1,244)**	(462)
	19,205	28,395	**10,042**	(12,504)

	CONSOLIDATED 2014 $000	2013 $000
6. Trade and Other Receivables (Current)		
Trade receivables (a)	1,049,897	979,722
Provision for doubtful debts (a)	(779)	(713)
Trade receivables, net	1,049,118	979,009
Consumer finance loans (b)	2,073	1,938
Amounts receivable in respect of finance leases (c)	12,198	13,018
Provision for doubtful debts	(5,897)	(6,523)
Finance leases, net	6,301	6,495
Non-trade debts receivable from: (d)		
- Related parties (including joint ventures and joint venture partners)	57,109	51,698
- Unrelated parties	5,757	16,142
- Provision for doubtful debts (d)	(965)	(880)
Non-trade debts receivable, net	61,901	66,960
Total trade and other receivables (current)	1,119,393	1,054,402

(a) Trade receivables and allowance for doubtful debts

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $1.03 million (2013: $0.50 million) has been recognised by the consolidated entity in the current year for the current trade receivables. These amounts have been included in the other expenses line item in the income statement.

$1,032.09 million of the trade receivables balance as at 30 June 2014 (2013: $967.53 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.

$17.34 million of the trade receivables balance as at 30 June 2014 (2013: $11.81 million) are past due but not impaired as there has not been a significant change in credit quality and the consolidated entity believes that the amounts are still considered recoverable. The consolidated entity does not hold any collateral over these balances as at 30 June 2014 (2013: Nil).

At 30 June, the ageing analysis of current and non-current trade receivables is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2014 ($000)	**1,032,091**	**7,704**	**2,280**	**7,353**	**14**	**194**	**571**	**1,050,207**
2013 ($000)	967,532	4,494	1,845	5,467	51	194	468	980,051

	CONSOLIDATED 2014 $000	2013 $000
Reconciled to:		
Trade debtors (Current)	1,049,897	979,722
Trade debtors (Non-Current – Note 11)	310	329
Total trade debtors	1,050,207	980,051

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Trade and Other Receivables (Current) (continued)

(a) Trade receivables and allowance for doubtful debts (continued)

Movements in the allowance for doubtful debts for trade debtors were as follows:

	CONSOLIDATED 2014 $000	2013 $000
At 1 July	713	845
Charge for the year	1,025	498
Foreign exchange translation	11	44
Amounts written off	(970)	(674)
At 30 June	779	713

(b) Consumer finance loans

For terms and conditions, allowance for doubtful debts and collateral held for consumer finance loans refer to Note 11.

(c) Finance lease receivables and allowance for doubtful debts

Finance lease receivables are reconciled to amounts receivable in respect of finance leases as follows:

	2014	2013
Aggregate of minimum lease payments and guaranteed residual values:		
Not later than one year	12,617	13,975
Later than one year but not later than five years	2,248	4,710
	14,865	18,685
Future finance revenue:		
Not later than one year	(419)	(957)
Later than one year but not later than five years	(212)	(394)
Net finance lease receivables	14,234	17,334
Reconciled to:		
Amounts receivable in respect of finance leases (Current)	12,198	13,018
Amounts receivable in respect of finance leases (Non-current – Note 11)	2,036	4,316
	14,234	17,334

Movements in the allowance for doubtful debts for finance lease receivables were as follows:

	2014	2013
At 1 July	7,065	-
Charge for the year	-	7,065
Amounts written off	(1,168)	-
At 30 June	5,897	7,065

The consolidated entity offers finance lease arrangements as part of the consumer finance business. Finance leases are offered in respect of motor vehicles and livestock with lease terms not exceeding 4 years. All finance leases are at fixed rates for the term of the lease. An allowance has been made for estimated irrecoverable finance lease receivable amounts when there is objective evidence that a finance lease receivable is impaired. No impairment loss has been recognised in the current year (2013: $7.07 million). The impairment loss for the prior year was included in the other expenses line item in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Trade and Other Receivables (Current) (continued)

(c) Finance lease receivables and allowance for doubtful debts (continued)

As at balance date, there were no past due but not impaired finance lease receivables (2013: Nil). Any risk of default in repayment by customers was minimised by the secured leased assets held as collateral by the consolidated entity. As at balance date, there were no events that required the consolidated entity to sell or re-pledge the secured leased assets.

Finance receivables are reconciled to amounts receivable in respect of finance leases.

(d) Non-trade debts receivable and allowance for doubtful debts

Non-trade debts receivable are generally interest-bearing and are normally payable at call. $66.52 million of the non-trade debts receivable balance as at 30 June 2014 (2013: $74.36 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.

An allowance has been made for the estimated irrecoverable non-trade receivable amounts. An impairment loss of $0.12 million (2013: Nil) has been recognised by the consolidated entity in the current year. These amounts have been included in the other expenses line item in the income statement.

As at balance date, there were no past due but not impaired non-trade debts receivable. In June 2013, the past due but not impaired non-trade debts receivable amounted to $0.41 million. The consolidated entity had not provided for the past due but not impaired receivables based on an assessment that the receivable was recoverable. The fair value of the collateral held over the past due but not impaired non-trade debts receivable was $0.54 million in June 2013.

At 30 June, the ageing analysis of non trade debts receivable is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2014 ($000)	**66,523**	**-**	**-**	**-**	**-**	**-**	**965**	**67,488**
2013 ($000)	74,364	409	-	-	-	-	880	75,653

	CONSOLIDATED 2014 $000	CONSOLIDATED 2013 $000
Reconciled to:		
Non-trade debts receivable (Current)	62,866	67,840
Non-trade debts receivable (Non-current – Note 11)	4,622	7,813
	67,488	75,653

Movements in the allowance for doubtful debts for current non-trade debts receivable were as follows:

	2014	2013
At 1 July	**880**	4,863
Charge for the year	**120**	-
Amounts written off	**(35)**	(3,983)
At 30 June	**965**	880

7. Other Financial Assets (Current)

	2014	2013
Listed shares held for trading at fair value	**20,546**	17,837
Derivatives receivable	**-**	185
Other investments	**1,050**	1,050
Total other financial assets (current)	**21,596**	19,072

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED 2014 $000	2013 $000
8. Inventories (Current)		
Finished goods at cost	293,122	249,490
Provision for obsolescence	(4,305)	(4,497)
Finished goods at cost, net	288,817	244,993
Finished goods at net realisable value	8,853	23,788
Total current inventories at the lower of cost and net realisable value	297,670	268,781
9. Other Assets (Current)		
Prepayments	12,212	19,344
Other current assets	10,798	8,311
Total other assets (current)	23,010	27,655
10. Intangible Assets (Current)		
Net licence property	541	343
11. Trade and Other Receivables (Non-Current)		
Trade receivables (a)	310	329
Consumer finance loans (b)	453	737
Provision for doubtful debts (b)	(4)	(7)
Trade debtors and consumer finance loans, net	759	1,059
Amounts receivable in respect of finance leases	2,036	4,316
Provision for doubtful debts	-	(542)
Finance leases, net	2,036	3,774
Non-trade debts receivable from:		
- Related parties	-	45
- Unrelated parties	4,622	7,768
Non-trade debts receivable, net	4,622	7,813
Total trade and other receivables (non-current)	7,417	12,646

(a) *Trade receivables*

For terms and conditions, allowance for doubtful debts and collateral held for trade receivables refer to Note 6.

(b) *Consumer finance loans and allowance for doubtful debts*

The majority of the consumer finance loans are non-interest bearing and are generally on 6 to 48 months interest-free terms.

$1.99 million of the consumer finance loans at 30 June 2014 (2013: $2.42 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.

An impairment loss of $0.004 million (2013: $0.007 million) has been recognised by the consolidated entity in the current year in respect of consumer finance loans. These amounts have been included in the other expenses line item in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Trade and Other Receivables (Non-Current) (continued)

(b) Consumer finance loans and allowance for doubtful debts (continued)

If a customer has missed a repayment in a consumer finance loan, the remaining balance of the consumer finance loan is treated as past due. $0.53 million of the consumer finance loans balance as at 30 June 2014 (2013: $0.25 million) are past due but not impaired. It is the consolidated entity's responsibility to collect the outstanding receivables from customers. In an event where the consolidated entity cannot collect the outstanding receivables from customers, the consolidated entity has recourse to franchisees for reimbursement of receivables. For consumer finance loans initiated by company-operated stores, there has not been a significant change in credit quality and therefore the consolidated entity believes that the amounts are still considered to be recoverable. The consolidated entity does not hold any collateral over these balances.

At 30 June, the ageing analysis of current and non-current consumer finance loans is as follows:

		Past due but not impaired			Past due and impaired			
	Neither past due nor impaired	31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	Total
2014 ($000)	**1,993**	**339**	**29**	**161**	**-**	**-**	**4**	**2,526**
2013 ($000)	2,422	127	33	86	-	-	7	2,675

	CONSOLIDATED	
	2014	2013
	$000	$000
Reconciled to:		
Consumer finance loans (Current – Note 6)	**2,073**	1,938
Consumer finance loans (Non – Current)	**453**	737
Total consumer finance loans	**2,526**	2,675

Movements in the allowance for doubtful debts for non-current consumer finance loans were as follows:

At 1 July	**7**	14
Charge for the year	**4**	7
Amounts written off	**(7)**	(14)
At 30 June	**4**	7

12. Other Financial Assets (Non-Current)

Listed shares held for trading at fair value	**2,750**	2,850
Listed shares held as available for sale	**12,782**	10,835
Units in unit trusts held as available for sale	**206**	204
Other non-current financial assets	**438**	334
Total other financial assets (non-current)	**16,176**	14,223

	CONSOLIDATED 2014 $000	CONSOLIDATED 2013 $000
13. Property, Plant and Equipment (Non-Current)		
Summary		
Land at fair value	129,609	122,825
Buildings at fair value	221,047	188,911
Net land and buildings	350,656	311,736
Plant and equipment		
At cost	769,366	783,628
Accumulated depreciation	(552,806)	(547,796)
Net plant and equipment	216,560	235,832
Lease make good asset		
At cost	4,850	4,128
Accumulated depreciation	(3,009)	(2,793)
Net lease make good asset	1,841	1,335
Total plant and equipment	218,401	237,167
Total property, plant and equipment		
Land and buildings at fair value	350,656	311,736
Plant and equipment at cost	774,216	787,756
Total property, plant and equipment	1,124,872	1,099,492
Accumulated depreciation and amortisation	(555,815)	(550,589)
Total written down amount	569,057	548,903
Reconciliations of the carrying amounts of property, plant and equipment are as follows:		
Land at fair value:		
Opening balance	122,825	121,497
Increase / (decrease) resulting from revaluation	1,770	(8,171)
Transfers to investment property	-	(1,465)
Depreciation of leasehold land (a)	(510)	(464)
Net foreign currency differences arising from foreign operations	5,524	11,428
Closing balance	129,609	122,825

(a) The depreciation charge relates to a leasehold land located in Singapore.

13. Property, Plant and Equipment (Non-Current) (continued)

Reconciliations (continued)

	CONSOLIDATED 2014 $000	CONSOLIDATED 2013 $000
Buildings at fair value:		
Opening balance	188,911	159,220
Additions	1,428	-
Disposals	-	(1,194)
Increase resulting from revaluation	23,788	21,017
Depreciation for the year	(7,146)	(5,339)
Reversal of depreciation	-	295
Transfers from plant and equipment	113	-
Transfers to investment property	-	(38)
Net foreign currency differences arising from foreign operations	13,953	14,950
Closing balance	221,047	188,911

Had the consolidated entity's land and buildings (other than land and buildings classified as investment properties, owner occupied land and buildings under construction) been measured on a historical cost basis, the net book value of land and buildings would have been $225.73 million (2013: $219.50 million).

	2014 $000	2013 $000
Plant and equipment at cost:		
Opening balance	783,628	768,435
Additions	56,669	76,652
Disposals	(57,523)	(47,888)
Transfers from leased plant and equipment	-	296
Transfers to investment property	(24,169)	(31,706)
Impairment	(22)	-
Net foreign currency differences arising from foreign operations	10,783	17,839
Closing balance	769,366	783,628
Accumulated Depreciation		
Opening balance	547,796	514,519
Depreciation for the year	59,975	72,564
Disposals	(46,557)	(39,185)
Transfers from leased plant and equipment	-	205
Transfers to investment property	(15,527)	(13,733)
Net foreign currency differences arising from foreign operations	7,119	13,426
Closing balance	552,806	547,796
Net book value	216,560	235,832
Lease make good asset at cost:		
Opening balance	4,128	3,713
Additions	1,500	678
Disposals	(720)	(571)
Net foreign currency differences arising from foreign operations	(58)	308
Closing balance	4,850	4,128

13. Property, Plant and Equipment (Non-Current) (continued)

Reconciliations (continued)

	CONSOLIDATED	
	2014	2013
	$000	$000
Lease make good asset at cost:		
Accumulated Depreciation		
Opening balance	2,793	2,160
Amortisation for the year	767	940
Disposals	(502)	(543)
Net foreign currency differences arising from foreign operations	(49)	236
Closing balance	3,009	2,793
Net book value	1,841	1,335
Leased Plant and Equipment at cost:		
Opening balance	-	296
Transfers to plant and equipment	-	(296)
Closing balance	-	-
Accumulated Depreciation		
Opening balance	-	205
Transfers to plant and equipment	-	(205)
Closing balance	-	-
Net book value	-	-
Total plant and equipment	218,401	237,167
Total property, plant and equipment	569,057	548,903

The financing facilities as disclosed in Note 21 to the financial statements are secured by charges over all of the assets of the consolidated entity and by mortgages over certain assets of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Property, Plant and Equipment (Non-Current) (continued)

(a) Reconciliation of owner occupied properties – land and buildings at fair value

	New Zealand	Slovenia		Singapore			Australia	Total	Total
	Retail $000	Retail $000	Warehouse $000	Retail $000	Warehouse $000	Office $000	Retail $000	2014 $000	2013 $000
At 1 July	168,520	69,465	3,225	50,412	7,932	7,249	4,933	311,736	280,717
Additions	1,428	-	-	-	-	-	-	1,428	-
Disposals	-	-	-	-	-	-	-	-	(1,194)
Fair value adjustments*	17,347	(1,925)	-	-	9,304	-	832	25,558	12,846
Depreciation for the year	(4,582)	(1,300)	(45)	(770)	(885)	(17)	(57)	(7,656)	(5,508)
Transfer to / from Investment Properties	-	-	-	-	-	-	113	113	(1,503)
Net foreign currency differences	17,610	1,963	89	(150)	(12)	(23)	-	19,477	26,378
At 30 June	**200,323**	**68,203**	**3,269**	**49,492**	**16,339**	**7,209**	**5,821**	**350,656**	**311,736**

* Of the fair value adjustments of $25.56 million for the year ended 30 June 2014, $27.49 million is attributable to revaluation gains relating to the Retail properties in New Zealand, one (1) Retail owner occupied property in Australia and one (1) Warehouse property in Singapore and is recognised in other comprehensive income. The remaining balance of $1.93 million is attributable to revaluation losses relating to the Retail properties in Slovenia and is included in occupancy expenses.

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy	Fair value 30 June 2014 $000	Valuation technique	Key unobservable inputs	Range of unobservable inputs
Retail	Level 3	323,839	Income capitalisation Discounted cash flow Direct sale comparison	Net market rent per sqm p.a. Capitalisation rate Terminal yield Discount rate Price per sqm of lettable area	$118 - $676 per sqm p.a. 4.8% - 9.4% 4.0% - 9.8% 8.6% - 10.5% $537 - $832 per sqm
Warehouse	Level 3	19,608	Direct sale comparison	Price per sqm of lettable area	$339 - $1,188 per sqm
Office	Level 3	7,209	Direct sale comparison	Price per sqm of lettable area	$6,946 - $8,232 per sqm
Total		**350,656**			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Property, Plant and Equipment (Non-Current) (continued)

(b) Fair value measurement, valuation techniques and inputs (continued)

The income capitalisation method of valuation was primarily used for the valuation of all Retail properties in New Zealand and one (1) Retail owner-occupied property in Australia. A discounted cash flow ("DCF") valuation was undertaken in respect of the same properties as a secondary check method of the capitalisation approach. There were no material differences between the income capitalisation method result and the discounted cash flow method result.

The direct sale comparison method of valuation is used for the valuation of all Retail properties in Slovenia. The income capitalisation method of valuation is used for the valuation of the flagship Space showroom in Singapore. The direct sale comparison method is used for all warehouse and office properties located in Slovenia and Singapore.

The table on page 94 of this report includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs used in determining the fair value:

Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated based on either net market rent or the normalised net operating income generated by the property, which is divided by the appropriate market capitalisation rate.

Discounted cash flow ("DCF") method

Under the DCF method, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life, including terminal value. This involves the projection of a series of cash flows and the application of an appropriate market-derived discount rate to establish the present value of the income stream.

Direct sale comparison method

Under the direct sale comparison method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the consolidated entity is the price per square metre.

Net market rent

Net market rent is the estimated amount for which a property or space within a property could lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In addition, an allowance for recoveries of lease outgoings from tenants is made on a pro-rata basis (where applicable).

Capitalisation rate

The rate at which net market income is capitalised to determine the value of a property. The rate is determined by reference to market evidence and independent external valuations received.

Terminal yield

The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of a given period when carrying out a discounted cash flow calculation. The rate is determined by reference to market evidence and independent external valuations received.

Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis. The rate is determined by reference to market evidence and independent external valuations received.

Price per square metre

Price per square metre is obtained based on recent transactions of similar properties around the vicinity. Appropriate adjustments are made between the comparables and the property to reflect the differences in size, tenure, location, condition and prevailing market conditions and all other relevant factors affecting its value.

(c) Valuation process

The local management team in each geographic location makes recommendations to the Property Review Committee and the directors of the Company for the results of their semi-annual property valuation review. All owner-occupied properties are subject to independent valuation at least every three (3) years unless there is an indication that the carrying amount of the property differs materially from the fair value at balance date. The aim of the valuation process is to ensure that properties held by the consolidated entity are compliant with applicable regulations and the consolidated entity's valuation policy for owner occupied properties.

Independent valuations are performed by external, professionally qualified valuers who hold a recognised, relevant professional qualification and have specialised expertise in the properties valued. The balance of the properties are reviewed internally by the Property Review Committee and the directors of the Company, resulting in internal valuations where necessary.

13. Property, Plant and Equipment (Non-Current) (continued)

(d) Sensitivity information

Key unobservable inputs	Impact on fair value for significant increase in input	Impact on fair value for significant decrease in input
Net market rent	Increase	Decrease
Capitalisation rate	Decrease	Increase
Terminal yield	Decrease	Increase
Discount rate	Decrease	Increase
Price per square metre	Increase	Decrease

The net market rent of a property and the capitalisation rate are key inputs of the income capitalisation valuation method. The income capitalisation valuation method incorporates a direct interrelationship between the net market rent of a property and its capitalisation rate. This methodology involves assessing the total net market income generated by the property and capitalising this in perpetuity to derive a capital value. Significant increases (or decreases) in rental returns and rent growth per annum in isolation would result in a significantly higher (or lower) fair value of the properties. There is an inverse relationship between the capitalisation rate and the fair value of properties. Significant increases (or decreases) in the capitalisation rate in isolation would result in a significantly lower (or higher) fair value of the properties.

The discount rate and terminal yield are key inputs of the discounted cash flow method. The discounted cash flow method incorporates a direct interrelationship between the discount rate and the terminal yield as the discount rate applied will determine the rate in which the terminal value is discounted to present value. Significant increases (or decreases) in the discount rate in isolation would result in a significantly lower (or higher) fair value. Similarly, significant increases (or decreases) in the terminal yield in isolation would result in a significantly lower (or higher) fair value. In general, an increase in the discount rate and a decrease in the terminal yield could potentially offset the impact on the fair value of the properties.

(e) Highest and best use

For all owner occupied property that is measured at fair value, the current use of the property is considered the highest and best use.

14. Investment Properties (Non-Current)

(a) Reconciliation

	NZ	Australia				TOTAL	
	Warehouse $000	Retail $000	Warehouse $000	Office $000	Property for develop-ment $000	June 2014 $000	June 2013 $000
At 1 July	2,883	1,693,652	116,994	35,503	4,508	1,853,540	1,804,953
Additions	-	40,300	1,225	213	7,089	48,827	92,575
Transfers from property, plant and equipment	198	8,207	108	15	1	8,529	16,449
Transfer from inventory	-	-	-	-	8,956	8,956	-
Transfer to other assets	-	(3,684)	-	-	-	(3,684)	-
Fair value adjustments*	(198)	(13,291)	(860)	(2,331)	6,953	(9,727)	(59,115)
Disposals	-	(3,119)	(9)	-	-	(3,128)	(1,322)
Net foreign currency differences	191	-	-	-	-	191	-
At 30 June	**3,074**	**1,722,065**	**117,458**	**33,400**	**27,507**	**1,903,504**	**1,853,540**

* Fair value adjustments totalling $9.73 million in aggregate for the year ended 30 June 2014 are included in occupancy expenses.

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy	Fair value 30 June 2014 $000	Valuation technique	Key unobservable inputs	Range of unobservable inputs
Retail	Level 3	1,722,065	Income capitalisation Discounted cash flow Direct sale comparison	Net market rent per sqm p.a. Capitalisation rate Terminal yield Discount Rate Price per sqm of lettable area	$80 - $299 per sqm p.a. 7.8% - 11.0% 8.0% - 11.5% 9.5% - 11.8% $751 - $1,931 per sqm
Warehouse	Level 3	120,532	Income capitalisation Discounted cash flow Direct sale comparison	Net market rent per sqm p.a. Capitalisation rate Terminal yield Discount Rate Price per sqm of lettable area	$42 - $140 per sqm p.a. 8.5% - 11.5% 8.8% - 10.0% 9.5% - 11.0% $1,002 - $1,483 per sqm
Office	Level 3	33,400	Income capitalisation Discounted cash flow Direct sale comparison	Net market rent per sqm p.a. Capitalisation rate Terminal yield Discount Rate Price per sqm of lettable area	$149 - $491 per sqm p.a 8.3% - 10.3% 8.8% 10% $1,117 per sqm
Property for development	Level 3	27,507	Direct sale comparison	Price per sqm of site area	$88 - $3,597 per sqm
Total		**1,903,504**			

14. Investment Properties (Non-Current) (continued)

(b) Fair value measurement, valuation techniques and inputs (continued)

Each investment property is valued at fair value. Each investment property is the subject of a lease or licence in favour of independent third parties, including Harvey Norman, Domayne and Joyce Mayne franchisees ("Franchisees"). Franchisees occupy properties pursuant to a licence for an initial term of 30 days, thereafter terminable at will. The fair value in respect of each investment property has been calculated using the income capitalisation method of valuation, against current market rental value, and having regard to, in respect of each property:

- the highest and best use
- quality of construction
- age and condition of improvements
- recent market sales data in respect of comparable properties
- current market rental value, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction
- tenure of Franchisees and external tenants
- adaptive reuse of buildings
- the specific circumstances of the property not included in any of the above points
- non-reliance on turnover rent

The income capitalisation method of valuation was used for the valuation of all Retail, Warehouse and Office properties in Australia and one (1) investment property in New Zealand. Either a discounted cash flow valuation or a direct sale comparison valuation was undertaken in respect of all properties, excluding property for development, in Australia and an investment property in New Zealand as a secondary check method of the capitalisation approach. There were no material differences between the capitalisation method result, the discounted cash flow method result and the direct sale comparison method result. The direct sale comparison method was used for all properties classified as property for development.

The descriptions and definitions relating to valuation techniques and key unobservable inputs used in determining the fair value of investment properties are provided in Note 13 (b).

(c) Valuation process

All properties within the investment property portfolio in Australia along with properties held in joint venture entities are subject to a semi-annual review to fair market value at each reporting period by the Property Review Committee, subject to review and final determination by the directors of the Company. The aim of the valuation process is to ensure that investment properties are held at fair value and the consolidated entity is compliant with applicable regulations and the consolidated entity's investment property valuation policy.

At each reporting period, at least one-sixth of the portfolio is independently valued by external valuers with the remaining five-sixths of the portfolio reviewed for fair value by Directors. The whole portfolio is independently valued every three years. The independent valuations are performed by external, professionally qualified valuers who hold a recognised relevant professional qualification and have specialised expertise in the properties valued. The balance of the property portfolio is reviewed internally by the Property Review Committee and the directors of the Company, which may result in internal valuations where necessary.

The selection of properties to be independently valued is based on a pre-determined, fixed schedule that is generally geographically representative of the entire portfolio, where possible. If the results of any of the independently valued properties during the period give rise to indicators of potential fair value issues or inconsistencies with the broader property portfolio, then the revaluation review is extended to include those other potentially affected properties. For those similarly affected properties, a director's valuation is prepared for review by the Property Review Committee. In addition, the consolidated entity gives consideration to issues that may cause other properties to have varied significantly from the previously recorded fair value. For properties where variations exist, a director's valuation is performed and adjustment made to the value accordingly.

For the year ended 30 June 2014, the consolidated entity obtained independent valuations in respect of forty-four (44) properties. Based on the results of the independent valuations, a further thirteen (13) properties were identified by management for further review. The thirteen (13) properties had generally been similarly affected by the same factors or characteristics of the properties which had been independently valued, particularly in relation to yields and market rentals.

Additionally, the Property Review Committee undertakes a revaluation review on investment properties under construction that are greater than 75% complete. The methodology to value a completed investment property also applies to the investment property under construction. The fair value of the investment property under construction is determined under the income capitalisation valuation method by estimating the fair value of the property at completion date less the remaining costs to complete and allowances for associated risk. As a secondary method, a discounted cash flow valuation is undertaken. The Property Review Committee also performs a valuation for any property less than 75% complete where there is an indication of a substantial change in the risks or benefits to warrant an earlier assessment. In general, direct sale comparison method of valuation is used for properties for future development.

14. Investment Properties (Non-Current) (continued)

(d) *Sensitivity information*
The sensitivity information is provided in Note 13 (d).

(e) *Rent received and operating expenses of investment properties*
Included in rent received from franchisees and rent received from other third parties as disclosed in Note 3 to the financial statements is rent received from investment properties of $184.82 million for the year ended 30 June 2014 (2013: $171.02 million). Operating expenses recognised in the income statement in relation to investment properties amounted $35.68 million for the year ended 30 June 2014 (2013: $41.56 million).

	CONSOLIDATED	
	2014	2013
	$000	$000
15. Intangible Assets (Non-Current)		
Computer Software (summary)		
At cost	139,048	115,479
Accumulated amortisation and impairment	(65,439)	(56,947)
Net computer software	73,609	58,532
Computer Software (a):		
Net of accumulated amortisation and impairment		
Opening balance	58,532	56,948
Additions	24,430	12,497
Disposals	(191)	(207)
Impairment	(195)	(58)
Amortisation	(9,007)	(10,688)
Net foreign currency differences arising from foreign operations	40	40
Net book value	73,609	58,532
Goodwill (b)		
Net book value	10	10
Licence property		
Net book value	4,279	371
Total intangible assets	77,898	58,913

(a) *Computer Software*
Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period of no greater than 9.5 years. If impairment indicators are present, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(b) *Goodwill*
After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis whenever there is an indication of impairment.

	CONSOLIDATED	
	2014	2013
	$000	$000
16. Trade and Other Payables (Current)		
Trade creditors	642,301	517,416
Accruals	39,139	44,378
Other creditors	59,241	49,964
Total trade and other payables (current)	740,681	611,758

	CONSOLIDATED 2014 $000	2013 $000
17. Interest-Bearing Loans and Borrowings (Current)		
Secured:		
Non trade amounts outstanding:		
- Bank overdraft (a)	29,785	37,093
- Commercial bills payable (b)	9,750	9,750
- Syndicated Facility Agreement (c)	370,000	-
- Other short-term borrowings (d)	7,368	92,592
Unsecured:		
Derivatives payable	105	81
Non trade amounts owing to:		
- Directors (e)	41,121	26,374
- Other related parties (e)	11,723	5,602
- Other unrelated persons	20	963
Total interest-bearing loans and borrowings (current)	469,872	172,455

(a) *Bank Overdraft*

Of the total bank overdraft of $29.79 million as at 30 June 2014:

- a total of $29.36 million relates to a fully-drawn bank overdraft due by Harvey Norman Trading (Ireland) Limited to Bank of Ireland ("BOI") (the "BOI Overdraft Facility"). Australia and New Zealand Banking Group Limited ("ANZ") has provided an Indemnity/Guarantee/Stand-by Letter of Credit Facility in favour of BOI in support of the BOI Overdraft Facility, at the request of the Company ("ANZ-BOI Facility"). The ANZ-BOI Facility is further secured by the Syndicated Facility Agreement described in Note 17(c).
- a total of $0.28 million relates to a bank overdraft facility with AmBank (M) Berhad in Malaysia which is subject to periodic review. The Company has granted a guarantee to AmBank (M) Berhad in Malaysia in respect of the obligations of Space Furniture Collection Sdn Bhd.
- a total of $0.15 million relates to a bank overdraft facility with ANZ which is subject to annual review and secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)).

(b) *Commercial Bills Payable*

The commercial bills payable form part of facilities granted by ANZ. The payment of each commercial bill is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)), and subject to annual review by ANZ. Each commercial bill has a tenure not exceeding 180 days but is repayable on demand by ANZ, upon the occurrence of any event of default or Relevant Event (as defined in Note 17(c)) under the Syndicated Facility Agreement, or after any annual review date.

(c) *Syndicated Facility Agreement*

On 2 December 2009, the Company, a subsidiary of the Company ("Borrower") and certain other subsidiaries of the Company ("Guarantors") entered into a Syndicated Facility Agreement with certain banks ("Financiers" and each a "Financier"). The aggregate value of the Syndicated Facility Agreement is $610 million. The utilised amount of the Syndicated Facility Agreement as at 30 June 2014 was $512 million.

This Facility is secured by:

(a) a fixed and floating charge granted by the Company and each of the Guarantors in favour of a security trustee for the Financiers; and
(b) real estate mortgages granted by certain Guarantors in favour of the security trustee for the Financiers over various real properties owned by those Guarantors.

Under the terms of the Syndicated Facility Agreement, the Facility is repayable:

(a) as to $370 million, on 22 December 2014;
(b) as to $240 million, on 22 December 2016;
(c) otherwise on demand by or on behalf of the Financiers upon the occurrence of any one of a number of events (each a "Relevant Event"), including events which are not within the control of the Company, the Borrower or the Guarantors. Each of the following is a Relevant Event:
  (i) an event occurs which has or is reasonably likely to have a material adverse effect on the business, operation, property, condition (financial or otherwise) or prospects of the Borrower or the Company and the subsidiaries of the Company;

17. Interest-Bearing Loans and Borrowings (Current) (continued)

(c) Syndicated Facility Agreement (continued)

(ii) if any change in law or other event makes it illegal or impractical for a Financier to perform its obligations under the Syndicated Facility Agreement or fund or maintain the amount committed by that Financier to the provision of the Increased Facility ("Commitment"), the Financier may by notice to the Borrower, require the Borrower to repay the secured moneys in respect of the Commitment of that Financier, in full on the date which is forty (40) business days after the date of that notice.

The Company has not received notice of the occurrence of any Relevant Event from any Financier. The amount of the $370 million repayable on 22 December 2014 referred to above is a current liability as at balance date.

(d) Other Short-Term Borrowings

Of the total other short-term borrowings of $7.37 million:

- a total of $6.38 million relates to a revolving credit facility with ANZ in Singapore. This facility is subject to periodic review and is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)).
- a total of $0.99 million relates to a revolving credit facility with AmBank (M) Berhad in Malaysia which is subject to periodic review. The Company has granted a guarantee to AmBank (M) Berhad in Malaysia in respect of the obligations of Space Furniture Collection Sdn Bhd.

Syndicated Working Capital Facility

The prior year balance included an amount of $85 million, pursuant to a separate further facility agreement that was established on 17 February 2012 by a subsidiary of the Company (as borrower), and several other subsidiaries of the Company (as guarantors), with certain banks (the "Syndicated Working Capital Facility"). The Syndicated Working Capital Facility of $85 million was repaid in full on 14 February 2014.

(e) Directors and Other Related Parties

Interest is payable at normal commercial bank bill rates. The loans are unsecured and repayable at call.

(f) Defaults and Breaches

During the current and prior years, there were no defaults or breaches on any of the interest-bearing loans and borrowings referred to in this note.

	CONSOLIDATED 2014 $000	2013 $000
18. Other Liabilities (Current)		
Lease incentives	2,031	1,667
Unearned revenue	12	1,022
Total other liabilities (current)	2,043	2,689
19. Provisions		
Current:		
Employee entitlements (Note 29)	18,204	16,793
Lease make good	1,350	1,529
Deferred lease expenses	893	538
Onerous lease costs	1,722	3,718
Other	3,325	760
Total provisions (current)	25,494	23,338
Non-Current:		
Employee entitlements (Note 29)	2,066	1,418
Lease make good	3,523	2,638
Deferred lease expenses	4,704	4,844
Total provisions (non-current)	10,293	8,900

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Provisions (continued)

Movements in the provisions for the year are as follows:

CONSOLIDATED	Make Good Provision $000	Deferred Lease Expenses $000	Onerous Lease Costs $000	Other $000	Total $000
At 1 July 2013	4,167	5,382	3,718	760	14,027
Arising during the year	1,523	798	1,166	3,570	7,057
Utilised	(744)	(585)	(3,162)	(1,086)	(5,577)
Exchange rate variance	(73)	2	-	81	10
At 30 June 2014	4,873	5,597	1,722	3,325	15,517
Current 2014	1,350	893	1,722	3,325	7,290
Non-current 2014	3,523	4,704	-	-	8,227
Total provisions 2014	4,873	5,597	1,722	3,325	15,517
Current 2013	1,529	538	3,718	760	6,545
Non-current 2013	2,638	4,844	-	-	7,482
Total provisions 2013	4,167	5,382	3,718	760	14,027

Make good provision
In accordance with certain lease agreements, the consolidated entity is obligated to restore certain leased premises to a specified condition at the end of the lease term. The balance of the make good provision as at 30 June 2014 was $4.87 million representing the expected costs to be incurred in restoring the leased premises to the condition specified in the lease. The provision has been calculated using a discount rate of 3 per cent.

Deferred lease expenses
Deferred lease expenses represent the present value of the future lease payments that the consolidated entity is presently obligated to make under non-cancellable operating lease agreements to enable the even recognition of lease payments as an expense on a straight-line basis over the lease term.

Onerous lease costs
The provision for onerous lease costs represents the present value of the future lease payments that the consolidated entity is presently obligated to make in respect of onerous lease contracts under non-cancellable operating lease agreements. This obligation may be reduced by the revenue expected to be earned on the lease including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable.

	CONSOLIDATED 2014 $000	CONSOLIDATED 2013 $000
20. Interest-Bearing Loans and Borrowings (Non-Current)		
Secured:		
Non trade amounts outstanding:		
Other borrowings		
- Syndicated Facility Agreement (refer to note 17(c))	142,000	550,000
- Other non-current borrowings (a)	87,383	85,282
Unsecured:		
- Derivatives payable	8,711	12,539
Total interest-bearing loans and borrowings (non-current)	238,094	647,821

20. Interest-Bearing Loans and Borrowings (Non-Current) (continued)

(a) Other non-current borrowings

Of the total non-current borrowings of $87.38 million at 30 June 2014:

- a total of $50.40 million is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)). The facilities are located in Slovenia and Croatia and have a maturity date of 2 December 2015.
- a total of $36.98 million is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)). The facility is located in Singapore and has a maturity date of 30 November 2015.

(b) Defaults and Breaches

During the current and prior years, there were no defaults or breaches on any of the interest-bearing loans and borrowings referred to in this note.

21. Financing Facilities Available

At balance date, the following financing facilities had been negotiated and were available:

	CONSOLIDATED 2014 $000	2013 $000
Total facilities:		
- Bank overdraft	43,357	41,900
- Other borrowings	106,134	187,457
- Commercial bank bills	9,750	9,750
- Syndicated Facility Agreement	610,000	610,000
Total Available Facilities	769,241	849,107
Facilities used at reporting date:		
- Bank overdraft	29,785	37,093
- Other borrowings - current	7,368	92,592
- Other borrowings – non-current	87,383	85,282
- Commercial bank bills - current	9,750	9,750
- Syndicated Facility Agreement – current	370,000	-
- Syndicated Facility Agreement – non-current	142,000	550,000
Total Used Facilities	646,286	774,717
Facilities unused at reporting date:		
- Bank overdraft	13,572	4,807
- Other borrowings	11,383	9,583
- Syndicated Facility Agreement	98,000	60,000
Total Unused Facilities	122,955	74,390

Refer to Note 17 Interest-Bearing Loans and Borrowings (Current) and Note 20 Interest-Bearing Loans and Borrowings (Non-Current) for details regarding the security provided by the consolidated entity over each of the financing facilities disclosed above.

22. Other Liabilities (Non-Current)

Lease incentives	15,426	16,045
Total other liabilities (non-current)	15,426	16,045

23. Contributed Equity

Ordinary shares	259,610	259,610
Total contributed equity	259,610	259,610

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Contributed Equity (continued)

	2014 Number	2013 Number
Ordinary shares issued and fully paid	**1,062,316,784**	1,062,316,784

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	CONSOLIDATED	
	Number	$000
Movements in ordinary shares on issue		
At 1 July 2012	1,062,316,784	259,610
Issue of shares under executive share option plan	-	-
At 1 July 2013	1,062,316,784	259,610
Issue of shares under executive share option plan	-	-
At 30 June 2014	1,062,316,784	259,610

Ordinary Shares – Terms and Conditions

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in any surplus on winding up in proportion to the number of and amounts paid up on shares held. Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Reserves

CONSOLIDATED $000	Asset revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Total
At 1 July 2012	72,229	(35,369)	3,354	(13,886)	7,786	(14,738)	**19,376**
Revaluation of land and buildings	6,739	-	-	-	-	-	**6,739**
Tax effect of revaluation of land and buildings	(4,423)	-	-	-	-	-	**(4,423)**
Unrealised gain on available-for-sale investments	-	-	3,096	-	-	-	**3,096**
Net gain on interest rate swap	-	-	-	6,168	-	-	**6,168**
Tax effect of net gain on swap	-	-	-	(1,850)	-	-	**(1,850)**
Reverse expired or realised cash flow hedge reserves	-	-	-	737	-	-	**737**
Net gain on forward foreign exchange contracts	-	-	-	10	-	-	**10**
Tax effect of net gain on forward foreign exchange contracts	-	-	-	(3)	-	-	**(3)**
Currency translation differences	-	31,568	-	-	-	-	**31,568**
Share based payment	-	-	-	-	555	-	**555**
Reversal of share expenses	-	-	-	-	(174)	-	**(174)**
At 30 June 2013	74,545	(3,801)	6,450	(8,824)	8,167	(14,738)	**61,799**
At 1 July 2013	74,545	(3,801)	6,450	(8,824)	8,167	(14,738)	**61,799**
Revaluation of land and buildings	24,803	-	-	-	-	-	**24,803**
Tax effect of revaluation of land and buildings	(8,164)	-	-	-	-	-	**(8,164)**
Unrealised gain on available-for-sale investments	-	-	829	-	-	-	**829**
Net gain on interest rate swap	-	-	-	3,828	-	-	**3,828**
Tax effect of net gain on swap	-	-	-	(1,148)	-	-	**(1,148)**
Reverse expired or realised cash flow hedge reserves	-	-	-	47	-	-	**47**
Net loss on forward foreign exchange contracts	-	-	-	(18)	-	-	**(18)**
Tax effect of net loss on forward foreign exchange contracts	-	-	-	5	-	-	**5**
Currency translation differences	-	27,647	-	-	-	-	**27,647**
Acquisition of non-controlling interest	-	-	-	-	-	(7,313)	**(7,313)**
Share based payment	-	-	-	-	447	-	**447**
Reversal of share expenses	-	-	-	-	(27)	-	**(27)**
At 30 June 2014	91,184	23,846	7,279	(6,110)	8,587	(22,051)	**102,735**

(a) Asset revaluation reserve
This reserve is used to record increases in the fair value of "owner occupied" land and buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve
This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Available for sale reserve
This reserve is used to record fair value changes on available-for-sale investments.

(d) Cash flow hedge reserve
This reserve is used to record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

(e) Employee equity benefits reserve
This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

(f) Acquisition reserve
This reserve is used to record the consideration paid in excess of carrying value of non-controlling interests. The additional acquisition reserve of $7.31 million recognised in the current year is primarily attributable to the additional shareholding acquired in Pertama Holdings Limited, Singapore ("Pertama") by Harvey Norman Singapore Pte Limited ("HNS"), a wholly owned subsidiary of Harvey Norman Holdings Limited. A total of 40,932,064 shares in Pertama were purchased by HNS in several on-market acquisitions during the year for a total purchase consideration of $26.61 million Singaporean dollars. These acquisitions resulted in an increase in the effective shareholding of HNS in Pertama from 63.41% to 80.25%. The charge to the acquisition reserve of $7.31 million represents the excess of the consideration paid for the shares relative to the carrying value of non-controlling interest in Pertama and has been recognised as a negative adjustment in equity. In January 2014, the consolidated entity completed the compulsory acquisition of the remaining shares in Pertama. Pertama was subsequently delisted from the Stock Exchange of Singapore.

	CONSOLIDATED June 2014 $000	CONSOLIDATED June 2013 $000

25. Retained Profits and Dividends

Movements in retained earnings were as follows:

	June 2014 $000	June 2013 $000
Balance 1 July	2,008,880	1,956,966
Profit for the year	211,695	142,211
Dividends paid	(111,543)	(90,297)
Balance at end of the year	2,109,032	2,008,880

	June 2014 $000	June 2013 $000
Dividends declared and paid during the year:		
Dividends on ordinary shares:		
Final franked dividend for 2013: 4.5 cents (2012: 4.0 cents)	47,804	42,493
Interim franked dividend for 2014: 6.0 cents (2013: 4.5 cents)	63,739	47,804
Total dividends paid	111,543	90,297

The interim dividend for the year ended 30 June 2014 was paid on 5 May 2014.

The final dividend for the year ended 30 June 2014 will be paid on 1 December 2014.

Franking credit balance

	June 2014 $000	June 2013 $000
The amount of franking credits available for the subsequent financial years are:		
- franking account balance as at the end of the financial year at 30%	676,514	660,743
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	18,953	18,522
- franking credits that will be utilised in the payment of proposed dividend	(36,422)	(20,488)
The amount of franking credits available for future reporting periods	659,045	658,777

26. Non-Controlling Interests

	June 2014 $000	June 2013 $000
Interest in:		
- Ordinary shares	2,591	12,404
- Reserves	11,683	10,188
- Retained earnings	5,455	10,974
Total non-controlling interests	19,729	33,566

	CONSOLIDATED	
	June 2014 $000	June 2013 $000
27. Earnings Per Share		
Basic earnings per share (cents per share)	**19.93c**	13.39c
Diluted earnings per share (cents per share)	**19.91c**	13.38c
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit after tax	**212,238**	144,477
Profit after tax attributable to non-controlling interests	**(543)**	(2,266)
Profit after tax attributable to the Parent	**211,695**	142,211

	NUMBER OF SHARES	
	June 2014	June 2013
Weighted average number of ordinary shares used in calculating basic earnings per share (a)	**1,062,316,784**	1,062,316,784
Effect of dilutive securities (b):		
- Share Options	**974,568**	662,918
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**1,063,291,352**	1,062,979,702

(a) Weighted Average Number of Ordinary Shares

The number of ordinary shares on issue at 30 June 2014 was 1,062,316,784 (2013: 1,062,316,784).

There has been no movement in the weighted average number of ordinary shares used in calculating basic earnings per share as there has been no movement in the number of shares on issue since the previous year. There has been no exercise of share options granted under any executive option plans in respect of previous years.

(b) Effect of Dilutive Securities

On 29 November 2010, the consolidated entity issued 3,000,000 unlisted options to certain executive directors (the "First Tranche of Options"). These options are capable of exercise from 1 January 2014 to 30 June 2016 at an exercise price of $3.02 per option. The options were valued at grant date at $0.87 each utilising the assumptions underlying the Black-Scholes methodology. On 13 June 2012, the consolidated entity announced that a total of 966,000 options over 966,000 shares in respect of the First Tranche of Options had lapsed and will never be exercisable by the participants. On 14 November 2013, the consolidated entity announced that a total of 900,000 options over 900,000 shares in respect of the First Tranche of Options had lapsed and will never be exercisable by the participants.

On 29 November 2011, the consolidated entity issued 3,000,000 unlisted options to certain executive directors (the "Second Tranche of Options"). These options are capable of exercise from 1 January 2015 to 30 June 2017 at an exercise price of $2.03 per option. The options were valued at grant date at $0.51 each utilising the assumptions underlying the Black-Scholes methodology. On 29 November 2012, the consolidated entity announced that a total of 2,250,000 options over 2,250,000 shares in respect of the Second Tranche of Options had lapsed and will never be exercisable by the participants.

On 29 November 2012, the consolidated entity issued 3,000,000 unlisted options to certain executive directors (the "Third Tranche of Options"). These options are capable of exercise from 1 January 2016 to 30 June 2018 at an exercise price of $1.83 per option. The options were valued at grant date at $0.282 each utilising the assumptions underlying the Black-Scholes methodology. On 14 November 2013, the consolidated entity announced that a total of 1,299,000 options over 1,299,000 shares in respect of the Third Tranche of Options had lapsed and will never be exercisable by the participants.

Options issued pursuant to the First, Second and Third Tranches of Options have been included in the calculation of diluted earnings per share as their exercise prices were less than the average market price of an ordinary share for the year ended 30 June 2014. The unexercised options of the First, Second and Third Tranches of Options are considered to be dilutive as their conversion to ordinary shares would decrease the net profit per share.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date.

	CONSOLIDATED June 2014 $000	June 2013 $000

28. Cash and Cash Equivalents

(a) *Reconciliation to Cash Flow Statement:*

Cash and cash equivalents comprise the following at end of the year:	June 2014 $000	June 2013 $000
Cash at bank and on hand	119,092	110,819
Short term money market deposits	25,865	50,841
	144,957	161,660
Bank overdraft (Note 17)	(29,785)	(37,093)
Cash and cash equivalents at end of the year	115,172	124,567

(b) *Reconciliation of profit after income tax to net operating cash flows:*

	June 2014 $000	June 2013 $000
Profit after tax	212,238	144,477
Adjustments for:		
Net foreign exchange gains	(588)	(1,336)
Bad and doubtful debts	1,149	7,571
Provision for inventory obsolescence	(192)	108
Share of net profit from joint venture entities	(17,501)	(20,523)
Depreciation of property, plant and equipment	68,398	78,843
Amortisation	9,235	10,688
Impairment of fixed assets and IT projects	217	66
Revaluation of investment properties and properties held under joint ventures	9,529	60,347
Property revaluation adjustment for overseas controlled entity	2,123	(1,232)
Deferred lease expenses	214	341
Provision for onerous leases	135	3,488
Discount of interest-free long term receivables	32	31
Accretion of interest-free long term receivables	(59)	(114)
Executive remuneration expenses	2,926	1,835
Accrued income items	(1,982)	(2,495)
Transfers to provisions:		
- Employee entitlements	2,059	1,104
- Doubtful debts	(1,020)	2,943
Loss on disposal and revaluation of:		
- Property, plant and equipment, and listed securities	(1,331)	(711)
Changes in assets and liabilities net of effects from purchase and sale of controlled entities:		
(Increase)/decrease in assets:		
Receivables	(56,636)	5,322
Inventory	(28,697)	(5,470)
Other current assets	4,645	(7,494)
Deferred tax assets	9,190	(888)
Increase/(decrease) in liabilities:		
Payables and other current liabilities	124,526	(48,014)
Income tax payable	325	10,330
Net cash from operating activities	338,935	239,217

	CONSOLIDATED	
	2014 Number	2013 Number

29. Employee Benefits

	2014 Number	2013 Number
The number of full-time equivalent employees employed as at 30 June are:	5,013	4,950

	2014 $000	2013 $000
The aggregate employee benefit liability is comprised of:		
Accrued wages, salaries and on-costs	7,998	8,171
Provisions (Current – Note 19)	19,124	17,553
Provisions (Non-current – Note 19)	2,066	1,418
Total employee benefit provisions	29,188	27,142

The consolidated entity makes contributions to complying superannuation funds for the purpose of provision of superannuation benefits for eligible employees of the consolidated entity. The amount of contribution in respect of each eligible employee is not less than the prescribed minimum level of superannuation support in respect of that eligible employee. The complying superannuation funds are independent and not administered by the consolidated entity.

Share Options

Harvey Norman Holdings Limited

At balance date, the following options over unissued ordinary shares were outstanding and vested (or able to be exercised) by, or for the benefit of, directors of Harvey Norman Holdings Limited:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding		Number of Options Vested	
			2014	2013	2014	2013
29/11/2010	30/06/2016	$3.02	-	2,034,000	1,134,000	-
29/11/2011	30/06/2017	$2.03	750,000	750,000	-	-
29/12/2012	30/06/2018	$1.827	1,701,000	3,000,000	-	-
			2,451,000	5,784,000	1,134,000	-

Refer to page 35 Remuneration Report for further information.

30. Remuneration of Auditors

	CONSOLIDATED 2014 $	2013 $
Amounts received or due and receivable by Ernst & Young for:		
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	1,584,330	1,469,701
- tax services in relation to the entity and any other entity in the consolidated entity	181,260	218,670
- other services in relation to the entity and any other entity in the consolidated entity	76,814	102,502
Total received or due and receivable by Ernst & Young	1,842,404	1,790,873

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Key Management Personnel

(a) Details of Key Management Personnel

(i) DIRECTORS	*Title*	*(ii) EXECUTIVES*	*Title*
Gerald Harvey	Executive Chairman	Martin Anderson	General Manager – Generic Publications Pty Limited
Kay Lesley Page	Executive Director and Chief Executive Officer	Rodney Orrock	General Manager – Domayne
John Evyn Slack-Smith	Executive Director and Chief Operating Officer	Thomas James Scott	General Manager – Property
David Ackery	Executive Director	Gordon Ian Dingwall	Chief Information Officer
Chris Mentis	Chief Financial Officer and Company Secretary		
Christopher Herbert Brown OAM	Non-Executive Director		
Michael John Harvey	Non-Executive Director		
Ian John Norman	Non-Executive Director – Passed away and ceased being a director of the Company on 29 May 2014		
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)		
Graham Charles Paton AM	Non-Executive Director (Independent)		

(b) Compensation of Key Management Personnel

The total remuneration paid or payable to Key Management Personnel of the consolidated entity is as follows:

	CONSOLIDATED	
	2014	2013
	$	$
Short – term	10,369,637	9,324,220
Post employment	199,008	192,706
Long – term	836,552	-
Other – long service leave accrual	83,732	82,686
Share – based payment	440,577	533,100
	11,929,506	10,132,712

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Related Party Transactions

(a) Ultimate Controlling Entity

The ultimate controlling entity of the consolidated entity is Harvey Norman Holdings Limited, a company incorporated in Australia.

		CONSOLIDATED 2014 $	2013 $
(b)	*Transactions with Other Related Parties*		
(i)	Several controlled entities of Harvey Norman Holdings Limited operate inter-company loan accounts with other wholly owned subsidiaries. The function of these inter-company loans is to facilitate the reimbursement of expenses paid by wholly-owned subsidiaries in Australia including travel expenses, advertising, marketing support, courier costs, other miscellaneous expenses and to provide working capital funding from time to time. Inter-company loans have been eliminated on consolidation.		
	The amount of such inter-company loans at balance date were:	**249,993,321**	221,009,511
(ii)	Network Consumer Finance Pty Limited (a wholly owned subsidiary of Harvey Norman Holdings Limited) acts as financier to several controlled partnerships and controlled entities. These controlled partnerships and controlled entities request advances from Network Consumer Finance Pty Limited to pay for general working capital expenses including, but not limited to, wages, travel, rental and other operating costs. Inter-company loans are at arm's length terms and conditions and have been eliminated on consolidation.		
	- The amount of inter-company loans at balance date was:	**22,308,854**	39,643,679
	- The aggregate amount of interest charged by Network Consumer Finance Pty Limited to controlled partnerships and controlled entities was at arm's length terms and conditions. The aggregate amount of interest charged was:	**715,411**	811,724
(iii)	Several controlled entities of Harvey Norman Holdings Limited operate loan accounts with other related parties, mainly consisting of joint ventures and the other joint venturer to joint ventures. Refer to Notes 6 and 11.		
	The amount of other related party loans at balance date was:	**57,109,200**	51,742,927
(iv)	The consolidated entity has a payable to other related parties at arm's length terms and conditions amounting to the following at balance date:	**11,722,806**	5,602,210

33. Commitments

		CONSOLIDATED 2014 $000	2013 $000
(a)	*Capital expenditure contracted but not provided is payable as follows:*		
	Not later than one year	**4,939**	3,661
	Total capital expenditure commitments	**4,939**	3,661

The consolidated entity had contractual obligations to purchase property, plant and equipment, investment properties and joint venture properties of $4.94 million (2013: $3.66 million). The contractual obligations relating to property, plant and equipment are mainly for the fixtures and fittings of new stores of overseas controlled entities. Included in the above disclosure are the contractual obligations relating to joint venture properties of $0.56 million for the year ended 30 June 2014 (2013: $1.48 million).

(b) Lease expenditure commitments – the consolidated entity as lessee:

		2014 $000	2013 $000
(i)	*Operating lease expenditure contracted for is payable as follows:*		
	Not later than one year	**154,935**	150,722
	Later than one year but not later than five years	**395,391**	404,012
	Later than five years	**230,562**	261,233
	Total operating lease liabilities	**780,888**	815,967

Operating leases are entered into as a means of acquiring access to retail property and warehouse facilities. Rental payments are adjusted annually in line with rental agreements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. Commitments (continued)

(ii) Geographic representation of operating lease expenditure:

30 June 2014	Australia $000	New Zealand $000	Asia $000	Ireland and Northern Ireland $000	Slovenia and Croatia $000	Total $000
Not later than one year	101,471	11,521	21,830	17,847	2,266	154,935
Later than one year but not later than five years	239,056	28,872	46,942	75,746	4,775	395,391
Later than five years	69,408	10,724	-	149,603	827	230,562
Total operating lease liabilities	409,935	51,117	68,772	243,196	7,868	780,888

30 June 2013	Australia $000	New Zealand $000	Asia $000	Ireland and Northern Ireland $000	Slovenia and Croatia $000	Total $000
Not later than one year	105,801	9,119	15,562	19,500	740	150,722
Later than one year but not later than five years	281,531	22,248	17,524	80,212	2,497	404,012
Later than five years	93,808	6,993	-	159,250	1,182	261,233
Total operating lease liabilities	481,140	38,360	33,086	258,962	4,419	815,967

The operating lease expenditure commitments for the retail property and warehouse facilities in Ireland and Northern Ireland, as disclosed in the tables above, incorporates the rental obligations of the consolidated entity up to the lease expiry date in accordance with the signed and executed lease agreements in Ireland and Northern Ireland.

Several of those lease agreements contain provisions that permit the tenant to exit, or break, the lease prior to the lease expiry date, subject to the adherence of the strict terms and conditions stipulated in the lease agreement that gives a tenant the right to terminate the agreement at an earlier date. The operating lease expenditure commitments disclosed in respect of Ireland and Northern Ireland in the above tables do not take such exit or break clauses into consideration. If the exit or break clauses were used as the minimum committed lease term, and assuming that the consolidated entity could exercise its rights in respect of exit and break clauses, the operating lease expenditure commitments for Ireland and Northern Ireland would be $150.86 million as at 30 June 2014 and $159.37 million as at 30 June 2013.

	CONSOLIDATED 2014 $000	2013 $000
(c) Lease commitments – the consolidated entity as lessor:		
Future minimum amounts receivable under non-cancellable operating leases are as follows:		
Not later than one year	**91,975**	97,673
Later than one year but not later than five years	**174,050**	219,509
Later than five years	**27,151**	40,246
Minimum finance lease receivable	**293,176**	357,428

The consolidated entity has entered into commercial leases in respect of its property portfolio and motor vehicles. All leases on its portfolio include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

34. Contingent Liabilities

Guarantees

As at 30 June 2014, Harvey Norman Holdings Limited had guaranteed the performance of a number of controlled entities which have entered into operating leases and facilities with other parties totalling $242.01 million (2013: $295.43 million).

35. Financial Risk Management

(a) *Financial Risk Management Objectives and Policies*

The consolidated entity's principal financial instruments are comprised of:

- receivables
- payables
- bills payable
- available for sale investments
- shares held for trading; and
- derivatives

The consolidated entity manages its exposure to key financial risks, such as interest rate and currency risk in accordance with the consolidated entity's financial risk management policy, as outlined in the Treasury Policy. The objective of the policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security.

The consolidated entity enters into derivative transactions, principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the consolidated entity's operations and its sources of finance.

The main risks arising from the consolidated entity's financial instruments are:

- foreign currency risk
- interest rate risk
- equity price risk
- credit risk; and
- liquidity risk

The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include:

- monitoring levels of exposure to interest rate and foreign exchange risk;
- monitoring assessments of market forecasts for interest rate, foreign exchange and commodity prices;
- ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk; and
- liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and endorses policies for managing each of these risks as summarised below:

- the setting of limits for trading in derivatives; and
- hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

(b) *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Components of market risk to which the consolidated entity are exposed are discussed below.

(i) *Foreign Currency Risk Management*

Foreign currency risk refers to the risk that the value of financial instruments, recognised asset or liability will fluctuate due to changes in foreign currency rates. The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The consolidated entity's foreign currency exchange risk arises primarily from:

- receivables or payables denominated in foreign currencies; and
- firm commitments or highly probable forecast transactions for payments settled in foreign currencies.

The consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to:

- United States dollars;
- New Zealand dollars;
- Euro;
- British pound;
- Singapore dollars;
- Malaysian ringgit; and
- Croatian kuna

The consolidated entity minimises its exposure to foreign currency risk by initially seeking contracts effectively denominated in the consolidated entity's functional currency where possible and economically favourable to do so. Foreign exchange risk that arises from firm commitments or highly probable transactions is managed principally through the use of forward foreign currency exchange contracts. The consolidated entity hedges a proportion of these transactions in each currency in accordance with the Treasury Policy.

35. Financial Risk Management (continued)

(i) Foreign Currency Risk Management (continued)

At 30 June 2014, the consolidated entity had the following exposure to foreign currency risk that is not denominated in the functional currency of the relevant subsidiary. All amounts have been converted to Australian dollars using applicable rates.

	CONSOLIDATED	
	2014	2013
	$000	$000
Financial assets		
Cash and cash equivalents	7,158	11,387
Trade and other receivables	4,188	5,018
Derivatives receivable	-	185
	11,346	16,590
Financial liabilities		
Trade and other payables	17,555	20,882
Interest bearing loans and borrowings	10,064	8,915
Derivatives payable	105	3
	27,724	29,800
Net exposure	(16,378)	(13,210)

The following sensitivity analysis is calculated based on the foreign currency risk exposures that are not denominated in the functional currency of the relevant subsidiary at balance date. At 30 June 2014, had the various currencies moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	Post tax profit increase/(decrease)		Other comprehensive income increase/(decrease)	
	2014	2013	2014	2013
	$000	$000	$000	$000
Consolidated				
Australian subsidiaries				
AUD/EURO + 5% (2013: + 10%)	15	69	(98)	(224)
AUD/EURO - 5% (2013: - 5%)	(17)	(40)	108	130
AUD/USD + 5% (2013: + 10%)	2	(25)	(11)	(10)
AUD/USD - 5% (2013: - 5%)	(2)	15	12	6
Slovenia and Ireland subsidiaries				
EURO/USD + 5% (2013: + 5%)	(25)	(12)	-	-
EURO/USD - 5% (2013: - 10%)	28	27	-	-
Croatia subsidiaries				
HRK/EURO + 5% (2013: + 5%)	537	446	-	-
HRK/EURO - 5% (2013: - 5%)	(593)	(493)	-	-
HRK/USD + 5% (2013: + 5%)	1	1	-	-
HRK/USD - 10% (2013: - 5%)	(3)	(1)	-	-
Singapore and Malaysia subsidiaries				
SGD/USD + 5% (2013: + 5%)	17	10	-	-
SGD/USD - 5% (2013: - 5%)	(18)	(11)	-	-
SGD/EURO + 10% (2013: + 5%)	(414)	(50)	-	-
SGD/EURO - 5% (2013: - 5%)	240	55	-	-
SGD/MYR + 5% (2013: + 5%)	65	(82)	-	-
SGD/MYR - 5% (2013: - 5%)	(72)	91	-	-
SGD/AUD + 5% (2013: + 5%)	2	1	-	-
SGD/AUD - 5% (2013: - 10%)	(2)	(3)	-	-
New Zealand subsidiaries/branches				
NZ/EURO + 5% (2013: + 5%)	(18)	(14)	-	-
NZ/EURO - 10% (2013: - 5%)	42	16	-	-
NZ/USD + 10% (2013: + 10%)	-	1	-	-
NZ/USD - 5% (2013: - 5%)	-	-	-	-

35. Financial Risk Management (continued)

(i) Foreign Currency Risk Management (continued)

The sensitivity increases and decreases in exchange rates have been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a 5-year historical data basis and market expectations for potential future movement. The sensitivities of post tax profit and other comprehensive income in 2014 are comparable to 2013.

(ii) Interest Rate Risk Management

Interest rate risk refers to the risk that movements in variable interest rates will affect financial performance by increasing interest expenses or reducing interest income.

Interest rate risk arises from financial assets and liabilities that are subject to floating interest rates. The consolidated entity's exposure to market interest rates relates primarily to:

- Cash and cash equivalents;
- Non-trade debts receivable from related parties and other unrelated parties;
- Bank overdraft;
- Non-trade amounts owing to directors, related parties and other unrelated parties;
- Borrowings; and
- Bills payable.

The consolidated entity manages the interest rate exposure by adjusting the ratio of fixed interest debt to variable interest debt to management's desired level based on current market conditions. Where the actual interest rate profile on the physical debt profile differs substantially from the desired target, the consolidated entity uses derivatives, principally interest rate swaps, to adjust towards the target net debt profile. Under the interest rate swaps the consolidated entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

30 June 2014	Principal subject to floating interest rate $000	Fixed interest rate maturing in: 1 year or less $000	Over 1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000	Average interest rate: Floating	Fixed
Financial assets								
Cash	104,482	25,865	-	-	14,610	144,957	0.01%-3.25%	0.01%-4.40%
Consumer finance loans	-	44	9	-	2,473	2,526	-	9.00%
Finance lease receivables	-	6,226	2,036	-	5,972	14,234	-	10.50%-12.50%
Trade debtors	-	-	-	-	1,050,207	1,050,207	-	-
Other financial assets	-	-	-	-	37,772	37,772	-	-
Non-trade debtors & loans	17,831	42,375	3,035	2,607	1,640	67,488	4.85%-12.38%	7.00%-12.00%
	122,313	74,510	5,080	2,607	1,112,674	1,317,184		
Financial liabilities								
Bank overdraft	29,785	-	-	-	-	29,785	2.22%-6.60%	-
Borrowings (*)	606,751	-	-	-	-	606,751	0.46%-5.58%	-
Interest rate swaps (notional amount)	*-*	*-*	*(200,000)*	*-*	*-*	*(200,000)*	*-*	*5.21%-5.54%*
Net exposure	*636,536*	*-*	*(200,000)*	*-*	*-*	*436,536*		
Trade creditors	-	-	-	-	740,681	740,681	-	-
Other loans	52,844	-	14	-	6	52,864	3.60%-4.38%	9.50%
Bills payable	9,750	-	-	-	-	9,750	2.61%-2.87%	-
Other financial liabilities	-	-	8,711	-	105	8,816	-	5.21%-5.54%
	699,130	-	8,725	-	740,792	1,448,647		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Financial Risk Management (continued)

(ii) Interest Rate Risk Management (continued)

30 June 2013	Principal subject to floating interest rate $000	Fixed interest rate maturing in: 1 year or less $000	Over 1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000	Average interest rate: Floating	Fixed
Financial assets								
Cash	93,805	48,509	-	-	19,346	161,660	0.35%-3.50%	0.07%-4.00%
Consumer finance loans	-	83	32	-	2,560	2,675	-	9.00%
Finance lease receivables	-	6,857	4,316	-	6,161	17,334	-	10.50%-12.50%
Trade debtors	-	-	-	-	980,051	980,051	-	-
Other financial assets	-	-	-	-	33,295	33,295	-	-
Non-trade debtors & loans	17,763	48,566	6,758	1,055	1,511	75,653	5.07%-13.20%	7.50%-12.00%
	111,568	104,015	11,106	1,055	1,042,924	1,270,668		
Financial liabilities								
Bank overdraft	37,093	-	-	-	-	37,093	2.22%-6.14%	-
Borrowings (*)	727,874	-	-	-	-	727,874	0.47%-5.52%	-
Interest rate swaps (notional amount)	-	*(50,000)*	*(200,000)*	-	-	*(250,000)*		*4.97%-5.54%*
Net exposure	*764,967*	*(50,000)*	*(200,000)*	-	-	*514,967*		
Trade creditors	-	-	-	-	611,758	611,758	-	-
Other loans	32,935	-	-	-	4	32,939	3.82%-5.20%	-
Bills payable	9,750	-	-	-	-	9,750	2.88%-3.70%	-
Other financial liabilities	-	78	12,539	-	3	12,620	-	4.97%-5.54%
	807,652	78	12,539	-	611,765	1,432,034		

* The consolidated entity is required to pay interest costs at various floating rates of interest on bank bills. In order to protect part of the loans from exposure to increasing interest rates, the consolidated entity has entered into several interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Sensitivity analysis

The following sensitivity is based on interest rate risk exposures in existence at balance date.

A sensitivity of 50 basis points increase and 50 basis points decrease has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates.

At 30 June 2014, if interest rates had moved, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Financial Risk Management (continued)

(ii) Interest Rate Risk Management (continued)

	CONSOLIDATED			
	Post tax profit		Other comprehensive income	
	increase/(decrease)		increase/(decrease)	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
If there was 50 (2013: 50) basis points higher in interest rates with all other variables held constant	**(2,246)**	(2,804)	**1,075**	1,972
If there was 50 (2013: 50) basis points lower in interest rates with all other variables held constant	**2,246**	2,804	**(1,080)**	(1,972)

The movements in post tax profit are due to higher/lower interest costs from variable rate debt and cash balances. The movements in other comprehensive income are due to increase/decrease in the fair value of derivative instruments designated as cash flow hedges.

The movements in post tax profit in 2014 are less sensitive than the movements in 2013 because of a decrease in financial liabilities that are subject to variable interest rates. The movements in other comprehensive income in 2014 are less sensitive than the movements in 2013 because of the decreased use of interest rate swaps which are designated as cash flow hedges.

(iii) Equity Price Risk Management

The consolidated entity is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The consolidated entity does not actively trade these investments. The exposure to the risk of a general decline in equity market values is not hedged as the consolidated entity believes such a strategy is not cost effective. The fair value of the equity investments publicly traded on the ASX was $23.30 million as at 30 June 2014 (2013: $20.69 million). The fair value of the equity investments publicly traded on the NZX was $12.78 million as at 30 June 2014 (2013: $10.84 million).

As at 30 June 2014, if equity prices had been 10% higher/lower while all other variables are held constant, post tax profit and other comprehensive income would have been affected as follows:

	CONSOLIDATED			
	Post tax profit		Other comprehensive income	
	increase/(decrease)		increase/(decrease)	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
If there was 10% (2013: 10%) increase movement in equity prices with all other variables held constant	**1,670**	1,657	**1,278**	1,084
If there was 10% (2013: 10%) decrease movement in equity prices with all other variables held constant	**(1,670)**	(1,657)	**(1,278)**	(1,084)

A sensitivity of 10% has been selected as this is considered reasonable given the current level of equity prices, the volatility observed on a historic basis and market expectations for future movement.

35. Financial Risk Management (continued)

(c) *Credit Risk*

Credit risk refers to the loss that the consolidated entity would incur if a debtor or other counterparty fails to perform under its contractual obligations.

Credit risk arises from the financial assets of the consolidated entity, which comprise trade and non-trade debtors, consumer finance loans and finance lease receivables. The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The consolidated entity's policies to limit its exposure to credit risks are as follows:

- Conducting appropriate due diligence on counterparties before entering into an arrangement with them. It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regularly monitored; and
- For finance lease receivables or non-trade debts receivable from related parties and other unrelated persons, the consolidated entity obtains collateral with a value equal or in excess of the counterparties' obligation to the consolidated entity.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various countries and industries. In addition, receivable balances are monitored on an ongoing basis.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The major geographic concentration of credit risk arises from the location of the counterparties to the consolidated entity's financial assets as shown in the following table:

	CONSOLIDATED	
Location of credit risk	2014 $000	2013 $000
Australia	**1,067,819**	1,023,980
New Zealand	**36,660**	24,207
Asia	**16,182**	13,619
Slovenia and Croatia	**3,695**	3,616
Ireland and Northern Ireland	**2,454**	1,626
Total	**1,126,810**	1,067,048

(d) *Liquidity Risk*

Liquidity risk includes the risk that, as a result of the consolidated entity's operational liquidity requirements:

- the consolidated entity will not have sufficient funds to settle a transaction on the due date;
- the consolidated entity will be forced to sell financial assets at a value which is less than what they are worth; or
- the consolidated entity may be unable to settle or recover a financial asset at all.

To help reduce these risks, the consolidated entity:

- has readily accessible standby facilities and other funding arrangements in place; and
- maintains instruments that are tradeable in highly liquid markets.

35. Financial Risk Management (continued)

(d) Liquidity Risk (continued)

The Board reviews this exposure on a monthly basis from a projected 12-month cash flow forecast, listing of banking facilities, explanations of variances from the prior month reports and current funding positions of the overseas controlled entities provided by finance personnel.

The following table details the consolidated entity's remaining contractual maturity for its financial assets and financial liabilities. The financial assets have been disclosed based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The financial liabilities have been disclosed based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the consolidated entity can be required to pay.

Year ended 30 June 2014 CONSOLIDATED	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Over 5 years $000	Total $000
Non derivative financial assets					
Cash and cash equivalents	144,957	-	-	-	144,957
Trade and other receivables	1,120,285	2,723	3,298	3,411	1,129,717
Other financial assets	21,596	-	-	16,176	37,772
Total financial assets	1,286,838	2,723	3,298	19,587	1,312,446
Non derivative financial liabilities					
Trade and other payables	740,681	-	-	-	740,681
Interest bearing loans and borrowings	485,582	7,254	232,478	-	725,314
Derivative financial liabilities					
Derivatives	105	8,711	-	-	8,816
Total financial liabilities	1,226,368	15,965	232,478	-	1,474,811
Net maturity	60,470	(13,242)	(229,180)	19,587	(162,365)

Year ended 30 June 2013 CONSOLIDATED	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Over 5 years $000	Total $000
Non derivative financial assets					
Cash and cash equivalents	161,660	-	-	-	161,660
Trade and other receivables	1,055,415	9,440	2,237	1,384	1,068,476
Other financial assets	18,887	-	-	14,223	33,110
Derivative financial assets					
Derivatives	185	-	-	-	185
Total financial assets	1,236,147	9,440	2,237	15,607	1,263,431
Non derivative financial liabilities					
Trade and other payables	611,758	-	-	-	611,758
Interest bearing loans and borrowings	198,949	388,193	278,670	-	865,812
Derivative financial liabilities					
Derivatives	81	-	12,539	-	12,620
Total financial liabilities	810,788	388,193	291,209	-	1,490,190
Net maturity	425,359	(378,753)	(288,972)	15,607	(226,759)

For detailed information on financing facilities available as at 30 June 2014 refer to Note 21.

35. Financial Risk Management (continued)

(e) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- The fair value of current trade receivables and payables is assessed to equal carrying value due to the short-term nature of the assets.
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-option derivatives and option pricing models for option derivatives.

The carrying amounts of cash and cash equivalents, trade and other receivables, other financial assets, trade and other payables and interest-bearing loans and borrowings are reasonable approximations of fair value.

The consolidated entity uses various methods in estimating the fair value of a financial instrument. The methods comprise:
Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Year ended 30 June 2014 CONSOLIDATED	Quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non market observable inputs (Level 3) $000	Total $000
Financial Assets				
Listed investments	36,078	-	-	**36,078**
Total Financial Assets	36,078	-	-	**36,078**
Financial Liabilities				
Foreign exchange contracts	-	105	-	**105**
Interest rate swaps	-	8,711	-	**8,711**
Total Financial Liabilities	-	8,816	-	**8,816**

Year ended 30 June 2013 CONSOLIDATED	Quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non market observable inputs (Level 3) $000	Total $000
Financial Assets				
Listed investments	31,522	-	-	**31,522**
Foreign exchange contracts	-	185	-	**185**
Total Financial Assets	31,522	185	-	**31,707**
Financial Liabilities				
Foreign exchange contracts	-	3	-	**3**
Interest rate swaps	-	12,617	-	**12,617**
Total Financial Liabilities	-	12,620	-	**12,620**

35. Financial Risk Management (continued)

(e) Fair Value of Financial Instruments (continued)

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices and are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Foreign currency forward contracts are measured using quoted forward exchange rates. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. These instruments are included in level 2. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

(f) Capital Risk Management Policy

When managing capital, management's objective is to create long-term sustainable value for shareholders and avoid adverse short-term decision making, whilst maintaining optimal returns to shareholders and benefits to other stakeholders. The aim is to maintain a capital structure utilising the lowest cost of capital available to the entity.

The consolidated entity is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the consolidated entity may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in Note 17 and 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 23, 24 and 25 respectively. None of the consolidated entity's entities are subject to externally imposed capital requirements.

Capital management is monitored through the debt to equity ratio (borrowings / total equity). The target for the consolidated entity's debt to equity ratio is a tolerance level of up to 50%. The debt to equity ratios based on continuing operations at 30 June 2014 and 2013 were as follows:

	CONSOLIDATED	
	2014	2013
	$000	$000
Borrowings (a)	**707,966**	820,276
Less: Cash and cash equivalents	**(144,957)**	(161,660)
Net Debt (c)	**563,009**	658,616
Total equity (b)	**2,513,156**	2,378,593
Debt to equity ratio ((a)/(b))	**28.17%**	34.49%
Net debt to equity ratio ((c)/(b))	**22.40%**	27.69%

(a) Borrowings for the purpose of calculating this debt to equity ratio consists of:
- Bank overdraft;
- Borrowings (current and non-current);
- Commercial bills payable (current);
- Derivatives payable (current and non-current); and
- Non trade amounts owing to directors, other related parties and other unrelated persons.

(b) For the purpose of calculating this debt to equity ratio, total equity excludes the negative acquisition reserve of $22.05 million (2013: $14.74 million).

36. Derivative Financial Instruments

Hedging Instruments

The following table details the derivative hedging instruments as at balance date. The fair value of a hedging derivative is classified as a non current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

	CONSOLIDATED	
	2014	2013
	$000	$000
Current Assets		
Forward currency contracts – held for trading	-	174
Forward currency contracts – cash flow hedges	-	11
Current Liabilities		
Interest swap contracts – cash flow hedges	-	78
Forward currency contracts – held for trading	**87**	3
Forward currency contracts – cash flow hedges	**18**	-
Non-current Liabilities		
Interest swap contracts – cash flow hedges	**8,711**	12,539

(a) *Forward currency contracts – held for trading*

The consolidated entity has entered into forward currency contracts which are economic hedges but do not satisfy the requirements of hedge accounting.

			CONSOLIDATED			
			2014		2013	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2014	2013	$000	$000	$000	$000
Euro (0-12 months)	**68.35**	72.69	**8,249**	**-**	7,263	-
US Dollar (0-12 months)	**92.19**	92.89	**179**	**-**	568	-
Total			**8,428**	**-**	7,831	-

These contracts are fair valued by comparing the contracted rate to the market rates at balance date. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value losses on foreign currency derivatives during the year were $0.09 million for the consolidated entity (2013: $0.17 million).

(b) *Forward currency contracts – cash flow hedges*

The consolidated entity purchases inventories from various overseas countries. As such, the consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to:

- United States dollars; and
- Euro.

In order to protect against exchange rate movements and to manage the inventory costing process, the consolidated entity has entered into forward exchange contracts to purchase US dollars and Euro. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made. The following table details the forward foreign currency contracts outstanding as at reporting date:

			CONSOLIDATED			
			2014		2013	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2014	2013	$000	$000	$000	$000
Euro (0-12 months)	**68.67**	71.10	**2,876**	**-**	3,071	-
US Dollar (0-12 months)	**93.59**	95.65	**317**	**-**	138	-
Total			**3,193**	**-**	3,209	-

36. Derivative Financial Instruments (continued)

(b) Forward currency contracts – cash flow hedges (continued)

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast inventory purchases and firm committed invoice payments for inventory purchases. During the year the hedges were 100% effective (2013: 100% effective), therefore the gain or loss on the contracts attributable to the hedged risk is taken directly to equity. When the inventory is delivered the amount recognised in equity is adjusted to the inventory account in the statement of financial position.

Movement in the forward currency contract cash flow hedge reserve:

	CONSOLIDATED	
	2014	2013
	$000	$000
	Increase/(Decrease)	
Opening balance	7	(26)
Transferred to inventory	(7)	26
Charged to other comprehensive income	(13)	7
Closing balance	(13)	7

(c) Interest rate swap contracts – cash flow hedges

Under interest rate swap contracts, the consolidated entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the consolidated entity to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt held.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Outstanding interest rate swap contracts	Average contracted fixed interest rate	Notional principal amount $000	Fair value loss $000
30 June 2014			
1 to 5 years	5.38%	200,000	(8,711)
30 June 2013			
Less than 1 year	4.97%	50,000	(78)
1 to 5 years	5.38%	200,000	(12,539)

The floating rate on the Australian interest rate swap is the Australian BBSY. The interest rate swap settles on a monthly basis and the settlement dates coincide with the dates on which interest is payable on the underlying debt. The swap is matched directly against the appropriate loan and interest expense and is considered to be highly effective. The swap is settled on a net basis. The swap is measured at fair value and the gain or loss attributable to the hedged risk is taken directly to equity and reclassified into profit and loss when the interest expense is recognised.

Movement in interest rate swap contract cash flow hedge reserve:

	CONSOLIDATED	
	2014	2013
	$000	$000
	Increase/(Decrease)	
Opening balance	(8,831)	(13,860)
Transferred to interest expense	54	711
Charged to equity	2,680	4,318
Closing balance	(6,097)	(8,831)

37. Investments Accounted for Using Equity Method

	CONSOLIDATED Investment		CONSOLIDATED Share of pre tax profit	
	June 2014 $000	Restated June 2013 $000	**June 2014 $000**	June 2013 $000
Total joint venture entities accounted for using equity method	**24,912**	16,498	**17,501**	20,523

Impact of Adopting AASB 11 Joint Arrangements

The application of AASB 11 Joint Arrangements impacted the consolidated entity's accounting of its interests in several joint ventures of property assets, primarily relating to the joint ownership of shopping complexes, resort operations and residential/convention developments. The adoption of the new standard resulted in a reclassification of land and building assets from investments accounted for using the equity method to investment property assets, according to the consolidated entity's proportionate interest, with no resultant change in total non-current assets for the preceding year. The reclassification amount for the previous year ended 30 June 2013 was $158.80 million.

Name and Principal Activities	Ownership Interest		Contribution to Pre Tax Profit / (Loss)	
	June 2014 %	June 2013 %	**June 2014 $000**	June 2013 $000
Noarlunga (Shopping complex)	**50%**	50%	**973**	906
Perth City West (Shopping complex)	**50%**	50%	**4,246**	3,375
Tweed Heads Expo Park (c) (Shopping complex)	**100%**	50%	**392**	1,040
Warrawong King St (a) (Shopping complex)	**62.5%**	62.5%	**1,008**	967
Tweed Heads Traders Way (c) (Shopping complex)	**100%**	50%	**22**	54
Byron Bay (Residential/convention development)	**50%**	50%	**(730)**	(705)
Byron Bay – 2 (Resort operations)	**50%**	50%	**830**	172
Dubbo (Shopping complex)	**50%**	50%	**603**	595
Bundaberg (c) (Warehouse)	**100%**	50%	**(2)**	(5)
Bundaberg – 2 (Land held for investment)	**50%**	50%	**(4)**	(4)
Gepps Cross (Shopping complex)	**50%**	50%	**2,855**	2,818
QCV (b) (Miners residential complex)	**50%**	50%	**9,712**	11,552
KEH Partnership (Retailer)	**50%**	50%	**(2,404)**	(242)
			17,501	20,523

(a) This joint venture has not been consolidated as the consolidated entity does not have control over operating and financing decisions and all joint venture parties participate equally in decision making.

(b) A number of wholly-owned subsidiaries of Harvey Norman Holdings Limited ("HNHL") have entered into joint ventures with an unrelated party to provide mining camp accommodation. The respective joint ventures have been granted finance facilities as follows:

(i) a finance facility from ANZ for the amount of $11.30 million plus interest and costs. HNHL has granted a joint and several guarantee to ANZ in respect of this facility.

(ii) a finance facility from the Commonwealth Bank of Australia ("CBA") for the amount of $2.50 million plus interest and costs. HNHL has granted a joint and several guarantee to CBA in respect of this facility.

(iii) a finance facility from Network Consumer Finance ("NCF"), a wholly-owned subsidiary of HNHL for the amount of $24.92 million plus interest and costs.

(iv) a finance facility from NCF for the amount of $5.06 million, plus interest and costs.

(v) a finance facility from NCF for the amount of $3.85 million, plus interest and costs.

(c) The consolidated entity acquired the remaining 50% interest in these joint ventures during the current year. Subsequent to this acquisition, the consolidated entity has consolidated the financial statements of the entities as wholly-owned subsidiaries post acquisition-date. The contribution to pre-tax profit/(loss) as disclosed in the above table represents the consolidated entity's share of results in these joint ventures prior to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts

Shares held by Harvey Norman Holdings Limited

The following companies are 100% owned by Harvey Norman Holdings Limited and incorporated in Australia unless marked otherwise. The financial years of all controlled entities are the same as that of the Parent Company.

A.C.N. 098 004 570 Pty Limited
ABSC Online Pty Limited[27]
Achiever Computers Pty Ltd
Aloku Pty Limited[1]
Anwarah Pty Limited[1]
Arisit Pty Limited[1, 2]
Arlenu Pty Limited[1]
Armidale Holdings Pty Limited[21]
Arpayo Pty Limited[1]
Aubdirect Pty Limited
Australian Business Skills Centre Pty Limited[23]
Balwondu Pty Limited[1]
Barrayork Pty Limited
Becto Pty Limited[1]
Bellevue Hill Pty Limited
Bencoolen Properties Pte Limited [11,16]
Bestest Pty Limited[1]
Bossee Pty Limited
Bradiz Pty Limited[1]
Braxpine Pty Limited[1]
Byron Bay Facilities Pty Limited[24]
Byron Bay Management Pty Limited[25]
Caesar Mosaics Pty Limited
Calardu Albany Pty Limited
Calardu Albury Pty Limited
Calardu Alexandria DM Pty Limited[1]
Calardu Alexandria WH Pty Limited
Calardu Alice Springs Pty Limited
Calardu Armadale WA Pty Limited
Calardu Armidale Pty Limited
Calardu Auburn Pty Limited
Calardu Ballarat Pty Limited
Calardu Ballina No. 1 Pty Limited
Calardu Ballina Pty Limited
Calardu Bathurst Pty Limited
Calardu Beaufort Street Pty Limited
Calardu Belrose DM Pty Limited
Calardu Berri (SA) Pty Limited
Calardu Berrimah Pty Limited
Calardu Broadmeadow Pty Limited
Calardu Broadmeadows VIC Pty Limited
Calardu Browns Plains No. 1 Pty Limited
Calardu Browns Plains Pty Limited
Calardu Bunbury (WA) Pty Limited[1]
Calardu Bundaberg Pty Limited
Calardu Bundaberg WH Pty Limited
Calardu Bundall Pty Limited
Calardu Burnie Pty Limited
Calardu Cairns Pty Limited
Calardu Cambridge Pty Limited
Calardu Campbelltown Pty Limited
Calardu Cannington Pty Limited[1]
Calardu Caringbah (Taren Point) Pty Limited
Calardu Caringbah Pty Limited
Calardu Chatswood Pty Limited
Calardu Crows Nest Pty Limited
Calardu Cubitt Pty Limited
Calardu Darwin Pty Limited
Calardu Devonport Pty Limited
Calardu Dubbo Pty Limited
Calardu Emerald Pty Limited
Calardu Frankston Pty Limited
Calardu Frankston WH Pty Limited
Calardu Fyshwick DM Pty Limited
Calardu Gepps Cross Pty Limited
Calardu Gladstone Pty Limited
Calardu Gordon Pty Limited
Calardu Guildford Pty Limited
Calardu Gympie Pty Limited
Calardu Hervey Bay Pty Limited
Calardu Hobart Pty Limited
Calardu Hoppers Crossing Pty Limited
Calardu Horsham Pty Limited
Calardu Innisfail Pty Limited
Calardu Ipswich Pty Limited7
Calardu Jandakot No. 1 Pty Limited
Calardu Jandakot Pty Limited
Calardu Joondalup Pty Limited1
Calardu Kalgoorlie Oswald St Pty Limited
Calardu Kalgoorlie Pty Limited
Calardu Karana Downs Pty Limited
Calardu Karratha Pty Limited
Calardu Kawana Waters Pty Limited
Calardu Kemblawarra Pty Limited
Calardu Kingaroy Pty Limited
Calardu Kotara Pty Limited
Calardu Launceston Pty Limited
Calardu Lismore Pty Limited
Calardu Loganholme Pty Limited
Calardu Mackay No. 1 Pty Limited
Calardu Mackay No. 2 Pty Limited
Calardu Maitland Pty Limited
Calardu Malaga Pty Limited
Calardu Mandurah Pty Limited
Calardu Maribyrnong Pty Limited1
Calardu Marion Pty Limited1
Calardu Maroochydore Pty Limited
Calardu Maroochydore Warehouse Pty Limited
Calardu Maryborough Pty Limited
Calardu Melville Pty Limited1
Calardu Mentone Pty Limited
Calardu Midland Pty Limited
Calardu Milton Pty Limited
Calardu Morayfield Pty Limited
Calardu Morwell Pty Limited
Calardu Moss Vale Pty Limited
Calardu Mount Isa Pty Limited
Calardu Mt Gambier Pty Limited
Calardu Mudgee Pty Limited
Calardu Munno Para Pty Limited
Calardu Noarlunga Pty Limited
Calardu Noble Park WH Pty Limited
Calardu Noosa Pty Limited1
Calardu North Ryde No. 1 Pty Limited
Calardu North Ryde Pty Limited
Calardu Northbridge Pty Limited1
Calardu Nowra Pty Limited
Calardu Penrith Pty Limited1
Calardu Perth City West Pty Limited
Calardu Port Macquarie Pty Limited1
Calardu Preston Pty Limited1
Calardu Pty Limited1
Calardu Queensland Pty Limited1
Calardu Raine Square Pty Limited
Calardu Richmond Pty Limited1
Calardu Rockhampton Pty Limited
Calardu Rockingham Pty Limited1
Calardu Roselands Pty Limited
Calardu Rothwell Pty Limited
Calardu Rutherford Pty Limited
Calardu Rutherford Warehouse Pty Limited
Calardu Sale Pty Limited
Calardu Silverwater Pty Limited
Calardu South Australia Pty Limited1
Calardu Springvale Pty Limited
Calardu Surry Hills Pty Limited7
Calardu Swan Hill Pty Limited
Calardu Sylvania Pty Limited
Calardu Taree Pty Limited
Calardu Taren Point Pty Limited
Calardu Thebarton Pty Limited
Calardu Toorak Pty Limited
Calardu Toowoomba WH Pty Limited
Calardu Townsville Pty Limited
Calardu Tweed Heads Pty Limited1
Calardu Tweed Heads Traders Way Pty Limited
Calardu Vicfurn Pty Limited
Calardu Victoria Pty Limited1
Calardu Warrawong (Homestarters) Pty Limited
Calardu Warrawong Pty Limited
Calardu Warrnambool Pty Limited1
Calardu Warwick Pty Limited
Calardu West Gosford Pty Limited
Calardu Whyalla Pty Limited
Calardu Wivenhoe Pty Limited
Cannonel Recovery Pty Limited
Carlando Pty Limited1
Charmela Pty Limited1
Clambruno Pty Limited1
Consolidated Design Group Pty Ltd
Contemporary Design Group Pty Limited 1,2
CP Aspley Pty Limited
CP Belmont Pty Limited
CP Bendigo Pty Limited
CP Braybrook Pty Limited
CP Bundaberg Leasing Pty Limited
CP Bundaberg Pty Limited
CP Burleigh Waters Pty Limited
CP Coburg Pty Limited
CP Commercial Division Pty Limited
CP Corporate VIC Pty Limited
CP Dandenong Pty Limited
CP Joondalup Pty Limited
CP Loganholme Pty Limited
CP Macgregor Pty Limited
CP Mackay Pty Limited
CP Malvern Pty Limited
CP Mandurah Pty Limited
CP Maroochydoore Pty Limited
CP Maryborough Leasing Pty Limited
CP Maryborough Pty Limited
CP Midland Pty Limited
CP Moonah Pty Limited
CP Moorabbin Pty Limited
CP Morayfield Pty Limited
CP Mornington Pty Limited
CP Mt Druitt Leasing Pty Limited
CP Mt Druitt Pty Limited
CP O'Connor Pty Limited
CP Online Pty Limited
CP Osborne Park CL Pty Limited
CP Osborne Park Pty Limited
CP Richmond Pty Limited
CP Ringwood Pty Limited
CP Thomastown Pty Limited
CP Victoria Park Pty Limited
CP Welshpool DC Pty Limited
Cropp Pty Limited
D.M. Alexandria Franchisor Pty Limited1
D.M. Alexandria Leasing Pty Limited
D.M. Alexandria Licencing Pty Limited
D.M. Auburn Franchisor Pty Limited1
D.M. Auburn Leasing Pty Limited
D.M. Auburn Licencing Pty Limited
D.M. Belrose Franchisor Pty Limited
D.M. Belrose Leasing Pty Limited
D.M. Bundall Franchisor Pty Limited1
D.M. Bundall Leasing Pty Limited
D.M. Castle Hill Franchisor Pty Limited
D.M. Castle Hill Leasing Pty Limited
D.M. Fyshwick Franchisor Pty Limited1
D.M. Fyshwick Leasing Pty Limited
D.M. Kotara Franchisor Pty Limited1
D.M. Kotara Leasing Pty Limited
D.M. Leicht Franchisor Pty Limited
D.M. Liverpool Franchisor Pty Limited1
D.M. Liverpool Leasing Pty Limited
D.M. Maroochydore Franchisor Pty Limited
D.M. Maroochydore Leasing Pty Limited
D.M. North Ryde Franchisor Pty Limited
D.M. North Ryde Leasing Pty Limited
D.M. Penrith Franchisor Pty Limited1
D.M. Penrith Leasing Pty Limited
D.M. QVH Franchisor Pty Limited1
D.M. QVH Leasing Pty Limited
D.M. Springvale Franchisor Pty Limited
D.M. Springvale Leasing Pty Limited
D.M. Warrawong Franchisor Pty Limited1
D.M. Warrawong Leasing Pty Limited
D.M. West Gosford Franchisor Pty Ltd 1
D.M. West Gosford Leasing Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Daldere Pty Limited1
Dandolena Pty Limited1
Derni Pty Limited1,2
Divonda Pty Limited1
DM Online Franchisor Pty Limited
DM Online Leasing Pty Limited
Domain Holdings Pty Limited
Domayne Furnishing Pty Limited
Domayne Holdings Limited9, 10
Domayne Online.com Pty Limited
Domayne P.E.M. Pty Limited1
Domayne Plant & Equipment Pty Limited1
Domayne Pty Limited
Dubbo JV Pty Limited
Durslee Pty Limited1
Edbrook Everton Park Pty Limited
Edbrook Pty Limited1,6
Elitetrax Properties Sdn Bhd7,13
Energy Incentive Team Pty Limited7
Farane Pty Limited1
Flormonda Pty Limited1
Forgetful Pty Limited
Ganoru Pty Limited1
Generic Publications Pty Limited
Geraldton WA Pty Limited
Gestco Greensborough Pty Limited1
Gestco Pty Limited1
Glo Light Pty Limited22
H.N. Adelaide CK Franchisor Pty Limited1
H.N. Adelaide CK Leasing Pty Limited
H.N. Albany Creek Franchisor Pty Limited
H.N. Albany Creek Leasing Pty Limited
H.N. Albany Franchisor Pty Limited1
H.N. Albany Leasing Pty Limited
H.N. Albury Franchisor Pty Limited1
H.N. Albury Leasing Pty Limited
H.N. Alexandria Franchisor Pty Limited
H.N. Alexandria Leasing Pty Limited
H.N. Alice Springs Franchisor Pty Limited
H.N. Alice Springs Leasing Pty Limited
H.N. Ararat Franchsor Pty Limited
H.N. Ararat Leasing Pty Limited
H.N. Armadale WA Franchisor Pty Limited1
H.N. Armadale WA Leasing Pty Limited
H.N. Armidale Franchisor Pty Limited1
H.N. Armidale Leasing Pty Limited
H.N. Aspley Franchisor Pty Limited1
H.N. Aspley Leasing Pty Limited
H.N. Atherton Franchisor Pty Limited
H.N. Atherton Leasing Pty Limited
H.N. Auburn Franchisor Pty Limited1
H.N. Auburn Leasing Pty Limited
H.N. Ayr Franchisor Pty Limited1
H.N. Ayr Leasing Pty Limited
H.N. Bairnsdale Franchisor Pty Limited1
H.N. Bairnsdale Leasing Pty Limited
H.N. Balgowlah Franchisor Pty Limited1
H.N. Balgowlah Leasing Pty Limited
H.N. Ballarat Franchisor Pty Limited1
H.N. Ballarat Leasing Pty Limited
H.N. Ballina Franchisor Pty Limited
H.N. Ballina Leasing Pty Limited
H.N. Batemans Bay Franchisor Pty Limited
H.N. Batemans Bay Leasing Pty Limited
H.N. Bathurst Franchisor Pty Limited1
H.N. Bathurst Leasing Pty Limited
H.N. Belmont Franchisor Pty Limited1
H.N. Belmont Leasing Pty Limited
H.N. Belmont North Franchisor Pty Limited
H.N. Belmont North Leasing Pty Limited
H.N. Bendigo Franchisor Pty Limited1
H.N. Bendigo Leasing Pty Limited
H.N. Bernoth Franchisor Pty Limited1
H.N. Bernoth Leasing Pty Limited
H.N. Bernoth Plant & Equipment Pty Limited1
H.N. Blacktown Franchisor Pty Limited1
H.N. Blacktown Leasing Pty Limited
H.N. Bondi Junction Franchisor Pty Limited
H.N. Bondi Junction Leasing Pty Limited
H.N. Braybrook Franchisor Pty Limited
H.N. Braybrook Leasing Pty Limited
H.N. Broadmeadow (VIC) Franchisor Pty Limited
H.N. Broadmeadow (VIC) Leasing Pty Limited
H.N. Broadway (Sydney) Franchisor Pty Limited1
H.N. Broadway (Sydney) Leasing Pty Limited
H.N. Broadway on the Mall Franchisor Pty Limited1
H.N. Broadway on the Mall Leasing Pty Limited
H.N. Broken Hill Franchisor Pty Limited
H.N. Broken Hill Leasing Pty Limited
H.N. Brooklyn Franchisor Pty Limited
H.N. Brooklyn Leasing Pty Limited
H.N. Browns Plains Franchisor Pty Limited1
H.N. Browns Plains Leasing Pty Limited
H.N. Bunbury Franchisor Pty Limited1
H.N. Bunbury Leasing Pty Limited
H.N. Bundaberg Franchisor Pty Limited1
H.N. Bundaberg Leasing Pty Limited
H.N. Bundall Franchisor Pty Limited1
H.N. Bundall Leasing Pty Limited
H.N. Burleigh Heads Franchisor Pty Limited1
H.N. Burleigh Heads Leasing Pty Limited
H.N. Burleigh Waters Franchisor Pty Limited
H.N. Burleigh Waters Leasing Pty Limited
H.N. Busselton Franchisor Pty Limited1
H.N. Busselton Leasing Pty Limited
H.N. Cairns Franchisor Pty Limited1
H.N. Cairns Leasing Pty Limited
H.N. Cambridge Park Franchisor Pty Limited
H.N. Cambridge Park Leasing Pty Limited
H.N. Campbelltown Franchisor Pty Limited1
H.N. Campbelltown Leasing Pty Limited
H.N. Cannington W.A. Franchisor Pty Limited1
H.N. Cannington W.A. Leasing Pty Limited
H.N. Canonvale Franchisor Pty Limited
H.N. Canonvale Leasing Pty Limited
H.N. Capalaba Franchisor Pty Limited
H.N. Capalaba Leasing Pty Limited
H.N. Cards Pty Limited
H.N. Carindale Franchisor Pty Limited1
H.N. Carindale Leasing Pty Limited
H.N. Caringbah Franchisor Pty Limited1
H.N. Caringbah Leasing Pty Limited
H.N. Castle Hill Franchisor Pty Limited
H.N. Castle Hill Leasing Pty Limited
H.N. Chadstone Franchisor Pty Limited
H.N. Chadstone Leasing Pty Limited
H.N. Chatswood Franchisor Pty Limited1
H.N. Chatswood Leasing Pty Limited
H.N. Chirnside Park Franchisor Pty Limited1
H.N. Chirnside Park Leasing Pty Limited
H.N. City Cross Franchisor Pty Limited
H.N. City Cross Leasing Pty Limited
H.N. City West Franchisor Pty Limited1
H.N. City West Leasing Pty Limited
H.N. Cleveland Franchisor Pty Limited
H.N. Cleveland Leasing Pty Limited
H.N. Cobar Franchisor Pty Limited
H.N. Cobar Leasing Pty Limited
H.N. Coburg Franchisor Pty Limited
H.N. Coburg Leasing Pty Limited
H.N. Coffs Harbour Franchisor Pty Limited1
H.N. Coffs Harbour Leasing Pty Limited
H.N. Coorparoo Franchisor Pty Limited
H.N. Coorparoo Leasing Pty Limited
H.N. Cranbourne Franchisor Pty Limited1
H.N. Cranbourne Leasing Pty Limited
H.N. Dalby Franchisor Pty Limited1
H.N. Dalby Leasing Pty Limited
H.N. Dandenong Franchisor Pty Limited1
H.N. Dandenong Leasing Pty Limited
H.N. Darwin Franchisor Pty Limited1
H.N. Darwin Leasing Pty Limited
H.N. Deniliquin Franchisor Pty Limited1
H.N. Deniliquin Leasing Pty Limited
H.N. Dubbo Franchisor Pty Limited1
H.N. Dubbo Leasing Pty Limited
H.N. Edgewater Franchisor Pty Limited
H.N. Edgewater Leasing Pty Limited
H.N. Education Franchisor Pty Limited7
H.N. Education Leasing Pty Limited7
H.N. Emerald Franchisor Pty Limited
H.N. Emerald Leasing Pty Limited
H.N. Enfield Franchisor Pty Limited1
H.N. Enfield Leasing Pty Limited
H.N. Everton Park Franchisor Pty Limited1
H.N. Everton Park Leasing Pty Limited
H.N. Fortitude Valley Franchisor Pty Limited1
H.N. Fortitude Valley Leasing Pty Limited
H.N. Frankston Franchisor Pty Limited
H.N. Frankston Leasing Pty Limited
H.N. Fremantle Franchisor Pty Limited1
H.N. Fremantle Leasing Pty Limited
H.N. Fyshwick Franchisor Pty Limited1
H.N. Fyshwick Leasing Pty Limited
H.N. Geelong Franchisor Pty Limited1
H.N. Geelong Leasing Pty Limited
H.N. Gepps Cross Franchisor Pty Limited
H.N. Gepps Cross Leasing Pty Limited
H.N. Geraldton Leasing Pty Limited
H.N. Geraldton WA Franchisor Pty Limited1
H.N. Gladstone Franchisor Pty Limited1
H.N. Gladstone Leasing Pty Limited
H.N. Gordon Franchisor Pty Limited1
H.N. Gordon Leasing Pty Limited
H.N. Gosford Leasing Pty Limited
H.N. Goulburn Franchisor Pty Limited
H.N. Goulburn Leasing Pty Limited
H.N. Grafton Franchisor Pty Limited1
H.N. Grafton Leasing Pty Limited
H.N. Great Eastern Highway Franchisor Pty Limited
H.N. Great Eastern Highway Leasing Pty Limited
H.N. Greensborough Franchisor Pty Limited1
H.N. Greensborough Leasing Pty Limited
H.N. Griffith Franchisor Pty Limited1
H.N. Griffith Leasing Pty Limited
H.N. Gunnedah Franchisor Pty Limited
H.N. Gunnedah Leasing Pty Limited
H.N. Guthrie Street Franchisor Pty Limited
H.N. Guthrie Street Leasing Pty Limited
H.N. Gympie Franchisor Pty Limited
H.N. Gympie Leasing Pty Limited
H.N. Hamilton Franchisor Pty Limited1
H.N. Hamilton Leasing Pty Limited
H.N. Hervey Bay Franchisor Pty Limited1
H.N. Hervey Bay Leasing Pty Limited
H.N. Hoppers Crossing Franchisor Pty Limited1
H.N. Hoppers Crossing Leasing Pty Limited
H.N. Horsham Franchisor Pty Limited1
H.N. Horsham Leasing Pty Limited
H.N. Hyperdome Franchisor Pty Limited
H.N. Hyperdome Leasing Pty Limited
H.N. Indooroopilly Franchisor Pty Limited1
H.N. Indooroopilly Leasing Pty Limited
H.N. Innisfail Franchisor Pty Limited1
H.N. Innisfail Leasing Pty Limited
H.N. Inverell Franchisor Pty Limited1
H.N. Inverell Leasing Pty Limited
H.N. Ipswich Franchisor Pty Limited
H.N. Ipswich Leasing Pty Limited
H.N. Joondalup Franchisor Pty Limited1
H.N. Joondalup Leasing Pty Limited
H.N. Kalgoorlie Franchisor Pty Limited1
H.N. Kalgoorlie Leasing Pty Limited
H.N. Karratha Franchisor Pty Limited1
H.N. Karratha Leasing Pty Limited
H.N. Kawana Waters Franchisor Pty Limited1
H.N. Kawana Waters Leasing Pty Limited
H.N. Kingaroy Franchisor Pty Limited
H.N. Kingaroy Leasing Pty Limited
H.N. Knox Towerpoint Franchisor Pty Limited1
H.N. Knox Towerpoint Leasing Pty Limited
H.N. Lake Haven Franchisor Pty Limited
H.N. Lake Haven Leasing Pty Limited
H.N. Leichhardt Franchisor Pty Limited1
H.N. Leichhardt Leasing Pty Limited
H.N. Lismore Franchisor Pty Limited1
H.N. Lismore Leasing Pty Limited
H.N. Lithgow Franchisor Pty Limited
H.N. Lithgow Leasing Pty Limited
H.N. Liverpool Franchisor Pty Limited1
H.N. Liverpool Leasing Pty Limited
H.N. Loganholme Franchisor Pty Limited1
H.N. Loganholme Leasing Pty Limited
H.N. Loughran Contracting Pty Limited
H.N. Macgregor Franchisor Pty Limited
H.N. Macgregor Leasing Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

H.N. Mackay Franchisor Pty Limited1
H.N. Mackay Leasing Pty Limited
H.N. Maddington Franchisor Pty Limited1
H.N. Maddington Leasing Pty Limited
H.N. Maitland Franchisor Pty Limited1
H.N. Maitland Leasing Pty Limited
H.N. Malaga Franchisor Pty Limited
H.N. Malaga Leasing Pty Limited
H.N. Mandurah Franchisor Pty Limited1
H.N. Mandurah Leasing Pty Limited
H.N. Maribyrnong Franchisor Pty Limited1
H.N. Maribyrnong Leasing Pty Limited
H.N. Marion Franchisor Pty Limited1
H.N. Marion Leasing Pty Limited
H.N. Maroochydore CP Franchisor Pty Limited
H.N. Maroochydore CP Leasing Pty Limited
H.N. Maroochydore Franchisor Pty Limited1
H.N. Maroochydore Leasing Pty Limited
H.N. Martin Place Sydney Franchisor Pty Limited1
H.N. Martin Place Sydney Leasing Pty Limited
H.N. Mentone Franchisor Pty Limited
H.N. Mentone Leasing Pty Limited
H.N. Midland Franchisor Pty Limited1
H.N. Midland Leasing Pty Limited
H.N. Mildura Franchisor Pty Limited1
H.N. Mildura Leasing Pty Limited
H.N. Moe Franchisor Pty Limited1
H.N. Moe Leasing Pty Limited
H.N. Moonah Franchisor Pty Limited
H.N. Moonah Leasing Pty Limited
H.N. Moorabbin Franchisor Pty Limited1
H.N. Moorabbin Leasing Pty Limited
H.N. Moorabbin SC Franchisor Pty Limited
H.N. Moorabbin SC Leasing Pty Limited
H.N. Moore Park Franchisor Pty Limited1
H.N. Moore Park Leasing Pty Limited
H.N. Morayfield Franchisor Pty Limited1
H.N. Morayfield Leasing Pty Limited
H.N. Moree Franchisor Pty Limited
H.N. Moree Leasing Pty Limited
H.N. Morley Franchisor Pty Limited1
H.N. Morley Leasing Pty Limited
H.N. Mornington Franchisor Pty Limited
H.N. Mornington Leasing Pty Limited
H.N. Morwell Franchisor Pty Limited
H.N. Morwell Leasing Pty Limited
H.N. Moss Vale Franchisor Pty Limited1
H.N. Moss Vale Leasing Pty Limited
H.N. Mt Barker Franchisor Pty Limited
H.N. Mt Barker Leasing Pty Limited
H.N. Mt Gambier Franchisor Pty Limited1
H.N. Mt Gambier Leasing Pty Limited
H.N. Mt Gravatt Franchisor Pty Limited1
H.N. Mt Gravatt Leasing Pty Limited
H.N. Mt Isa Franchisor Pty Limited1
H.N. Mt Isa Leasing Pty Limited
H.N. Mudgee Franchisor Lty Limited1
H.N. Mudgee Leasing Pty Limited
H.N. Munno Para Franchisor Pty Limited1
H.N. Munno Para Leasing Pty Limited
H.N. Muswellbrook Franchisor Pty Limited
H.N. Muswellbrook Leasing Pty Limited
H.N. Narre Warren Franchisor Pty Limited
H.N. Narre Warren Leasing Pty Limited
H.N. Newcastle Franchisor Pty Limited1
H.N. Newcastle Leasing Pty Limited
H.N. Newcastle West Franchisor Pty Limited
H.N. Newcastle West Leasing Pty Limited
H.N. Noarlunga Franchisor Pty Limited1
H.N. Noarlunga Leasing Pty Limited
H.N. Noosa Franchisor Pty Limited1
H.N. Noosa Leasing Pty Limited
H.N. Norwest Franchisor Pty Limited
H.N. Norwest Leasing Pty Limited
H.N. Nowra Franchisor Pty Limited1
H.N. Nowra Leasing Pty Limited
H.N. Nunawading Franchisor Pty Limited1
H.N. Nunawading Leasing Pty Limited
H.N. O'Connor Franchisor Pty Limited1
H.N. O'Connor Leasing Pty Limited
H.N. Oakleigh CK Franchisor Pty Limited1
H.N. Oakleigh CK Leasing Pty Limited
H.N. Orange Franchisor Pty Limited1
H.N. Orange Leasing Pty Limited
H.N. Osborne Park Franchisor Pty Limited1
H.N. Osborne Park Leasing Pty Limited
H.N. Oxley Franchisor Pty Limited1
H.N. Oxley Leasing Pty Limited
H.N. Pacific Fair Franchisor Pty Limited
H.N. Pacific Fair Leasing Pty Limited
H.N. Parkes Franchisor Pty Limited1
H.N. Parkes Leasing Pty Limited
H.N. Penrith Franchisor Pty Limited1
H.N. Penrith Leasing Pty Limited
H.N. Peppermint Grove Franchisor Pty Limited1
H.N. Peppermint Grove Leasing Pty Limited
H.N. Port Hedland Franchisor Pty Limited1
H.N. Port Hedland Leasing Pty Limited
H.N. Port Kennedy Franchisor Pty Limited1
H.N. Port Kennedy Leasing Pty Limited
H.N. Port Macquarie Franchisor Pty Limited1
H.N. Port Macquarie Leasing Pty Limited
H.N. Preston Franchisor Pty Limited1
H.N. Preston Leasing Pty Limited
H.N. Richmond Franchisor Pty Limited
H.N. Richmond Leasing Pty Limited
H.N. Ringwood Franchisor Pty Limited
H.N. Ringwood Leasing Pty Limited
H.N. Riverwood Franchisor Pty Limited
H.N. Riverwood Leasing Pty Limited
H.N. Rockhampton Franchisor Pty Limited1
H.N. Rockhampton Leasing Pty Limited
H.N. Rothwell Franchisor Pty Limited
H.N. Rothwell Leasing Pty Limited
H.N. Salamander Bay Franchisor Pty Limited
H.N. Salamander Bay Leasing Pty Limited
H.N. Sale Franchisor Pty Limited1
H.N. Sale Leasing Pty Limited
H.N. Shepparton Franchisor Pty Limited1
H.N. Shepparton Leasing Pty Limited
H.N. South Tweed Franchisor Pty Limited1
H.N. South Tweed Leasing Pty Limited
H.N. Southland Franchisor Pty Limited1
H.N. Southland Leasing Pty Limited
H.N. Springvale Franchisor Pty Limited
H.N. Springvale Leasing Pty Limited
H.N. Sunshine Franchisor Pty Limited
H.N. Sunshine Leasing Pty Limited
H.N. Swan Hill Franchisor Pty Limited1
H.N. Swan Hill Leasing Pty Limited
H.N. Tamworth Franchisor Pty Limited1
H.N. Tamworth Leasing Pty Limited
H.N. Taree Franchisor Pty Limited
H.N. Taree Leasing Pty Limited
H.N. Thomastown Franchisor Pty Limited
H.N. Thomastown Leasing Pty Limited
H.N. Toowoomba Franchisor Pty Limited1
H.N. Toowoomba Leasing Pty Limited
H.N. Townsville Franchisor Pty Limited1
H.N. Townsville Leasing Pty Limited
H.N. Traralgon Franchisor Pty Limited1
H.N. Traralgon Leasing Pty Limited
H.N. Tura Beach Franchisor Pty Limited
H.N. Tura Beach Leasing Pty Limited
H.N. Vic/Tas Commercial Project Franchisor Pty Limited
H.N. Vic/Tas Commercial Project Leasing Pty Limited
H.N. Victoria Park Franchisor Pty Limited
H.N. Victoria Park Leasing Pty Limited
H.N. Wagga Franchisor Pty Limited1
H.N. Wagga Leasing Pty Limited
H.N. Wangaratta Franchisor Pty Limited1
H.N. Wangaratta Leasing Pty Limited
H.N. Warragul Franchisor Pty Limited1
H.N. Warragul Leasing Pty Limited
H.N. Warrawong Franchisor Pty Limited1
H.N. Warrawong Leasing Pty Limited
H.N. Warrnambool Franchisor Pty Limited1
H.N. Warrnambool Leasing Pty Limited
H.N. Warwick (WA) Franchisor Pty Limited1
H.N. Warwick (WA) Leasing Pty Limited
H.N. Warwick Franchisor Pty Limited1
H.N. Warwick Leasing Pty Limited
H.N. Watergardens Franchisor Pty Limited1
H.N. Watergardens Leasing Pty Limited
H.N. Waurn Ponds Franchisor Pty Limited1
H.N. Waurn Ponds Leasing Pty Limited
H.N. West Gosford Franchisor Pty Limited1
H.N. West Wyalong Franchisor Pty Limited
H.N. West Wyalong Leasing Pty Limited
H.N. Whyalla Franchisor Pty Limited1
H.N. Whyalla Leasing Pty Limited
H.N. Wiley Park Franchisor Pty Limited1
H.N. Wiley Park Leasing Pty Limited
H.N. Windsor Franchisor Pty Limited1
H.N. Windsor Leasing Pty Limited
H.N. Woden Franchisor Pty Limited1
H.N. Woden Leasing Pty Limited
H.N. Wonthaggi Franchisor Pty Limited1
H.N. Wonthaggi Leasing Pty Limited
H.N. Woodville Franchisor Pty Limited
H.N. Woodville Leasing Pty Limited
H.N. Young Franchisor Pty Limited1
H.N. Young Leasing Pty Limited
Hardly Normal Discounts Pty Limited1
Hardly Normal Limited9,10
Hardly Normal Pty Limited1
Harvey Cellars Pty Limited
Harvey Liquor Pty Limited
Harvey Norman (ACT) Pty Limited1
Harvey Norman (N.S.W.) Pty Limited
Harvey Norman (QLD) Pty Limited1,6
Harvey Norman 2007 Management Pty Limited
Harvey Norman Big Buys Pty Limited
Harvey Norman Burnie Franchisor Pty Limited1
Harvey Norman Burnie Leasing Pty Limited
Harvey Norman CEI d.o.o. 12
Harvey Norman Commercial Your Solution Provider Pty Ltd
Harvey Norman Computer Club Pty Limited
Harvey Norman Computer Training Pty Limited
Harvey Norman Contracting Pty Limited
Harvey Norman Corporate Air Pty Limited
Harvey Norman CP Pty Limited
Harvey Norman Devonport Franchisor Pty Limited1
Harvey Norman Devonport Leasing Pty Limited
Harvey Norman Education and Training Pty Limited
Harvey Norman Energy Pty Limited1
Harvey Norman Europe d.o.o12
Harvey Norman Export Pty Limited1
Harvey Norman Fitouts Pty Limited
Harvey Norman Furnishing Pty Limited
Harvey Norman Gamezone Pty Limited
Harvey Norman Glenorchy Franchisor Pty Limited1
Harvey Norman Glenorchy Leasing Pty Limited
Harvey Norman Hobart Franchisor Pty Limited1
Harvey Norman Hobart Leasing Pty Limited
Harvey Norman Holdings (Ireland) Limited15
Harvey Norman Home Cellars Pty Limited
Harvey Norman Home Loans Pty Limited
Harvey Norman Home Starters Pty Limited
Harvey Norman Homemaker Centre Pty Limited
Harvey Norman Launceston Franchisor Pty Limited 1
Harvey Norman Launceston Leasing Pty Limited
Harvey Norman Leasing (Blanchardstown) Limited18,15
Harvey Norman Leasing (Carrickmines) Limited 18,15
Harvey Norman Leasing (Castlebar) Limited 18,15
Harvey Norman Leasing (Cork) Limited18,15
Harvey Norman Leasing (Drogheda) Limited18,15
Harvey Norman Leasing (Dublin) Limited18,15
Harvey Norman Leasing (Dundalk) Limited18,15
Harvey Norman Leasing (Eastgate) Limited18,15
Harvey Norman Leasing (Limerick) Limited18,15
Harvey Norman Leasing (Mullingar) Limited18,15
Harvey Norman Leasing (N.Z.) Limited9,10
Harvey Norman Leasing (Naas) Limited18,15
Harvey Norman Leasing (NI) Limited18,15
Harvey Norman Leasing (Rathfarnham) Limited18,15
Harvey Norman Leasing (Tralee) Limited18,15

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Harvey Norman Leasing (Waterford) Limited[18,15]
Harvey Norman Leasing Pty Limited
Harvey Norman Limited[10]
Harvey Norman Loughran Plant & Equipment Pty Limited
Harvey Norman Mortgage Service Pty Limited
Harvey Norman Music Pty Limited
Harvey Norman Net. Works Pty Limited[1]
Harvey Norman OFIS Pty Limited[1]
Harvey Norman Online.com Pty Limited
Harvey Norman Ossia (Asia) Pte Limited[11,16,17]
Harvey Norman P.E.M. Pty Limited
Harvey Norman Plant and Equipment Pty Limited
Harvey Norman Properties (N.Z.) Limited[9,10]
Harvey Norman Rental Pty Limited
Harvey Norman Retailing Pty Limited[1]
Harvey Norman Rosney Franchisor Pty Limited[1]
Harvey Norman Rosney Leasing Pty Limited
Harvey Norman Security Pty Limited
Harvey Norman Shopfitting Pty Limited[1]
Harvey Norman Singapore Pte Limited[11,19,16]
Harvey Norman Stores (N.Z.) Pty Limited[1]
Harvey Norman Stores (W.A.) Pty Limited
Harvey Norman Stores Pty Limited[1]
Harvey Norman Superlink Pty Limited
Harvey Norman Tasmania Pty Limited
Harvey Norman Technology Pty Limited[1]
Harvey Norman The Bedding Specialists Pty Limited
Harvey Norman The Computer Specialists Pty Limited
Harvey Norman The Electrical Specialists Pty Limited
Harvey Norman The Furniture Specialists Pty Limited
Harvey Norman Trading (Ireland) Limited[18,15]
Harvey Norman Trading d.o.o.[12]
Harvey Norman Ulverstone Franchisor Pty Limited[1]
Harvey Norman Ulverstone Leasing Pty Limited
Harvey Norman Victoria Pty Limited[1]
Harvey Norman Zagreb d.o.o.[14]
Havrex Pty Limited[1,6]
HN Allens Road Leasing Limited[10,9]
HN Blenheim Leasing Limited[9,10]
HN Botany Leasing Limited[10,9]
HN Byron No. 2 Pty Limited
HN Byron No. 3 Pty Limited
HN Commercial Leasing Limited[10,9]
HN Downing Street Leasing Limited[10,9]
HN Edmonton Road Leasing Limited[10,9]
HN Hornby Leasing Limited[10,9]
HN Hornby Leasing Limited[7,9,10]
HN Lincoln Centre Leasing Limited[10,9]
HN Manukau Leasing Limited[10,9]
HN Mowbray Street Leasing Limited[7,9,10]
HN Mt Roskill Leasing Limited[10,9]
HN Napier Leasing Limited[7,9,10]
HN Online Franchisor Pty Limited
HN Online Leasing Pty Limited
HN Paraparaumu Leasing Limited[9,10]
HN QCV Benaraby No.1 Pty Limited
HN QCV Benaraby Pty Limited
HN QCV Blackwater Land Pty Limited[7]
HN QCV Concepts Pty Limited[7]
HN QCV Fairview Pty Limited
HN QCV Injune Pty Limited
HN QCV LOR Pty Limited
HN QCV Pty Limited
HN QCV Sarina Land Pty Limited
HN QCV Sarina Pty Limited
HN Tauranga Leasing Limited[10,9]
HN Tory Street Leasing Limited[9,10]
HN Tower Junction Limited[7,9,10]
HN Westgate Leasing Limited[7,9,10]
HN Woolston Leasing Limited[10,9]
HN Zagreb Investment Pty Limited
HNL Pty Limited
Hodberg Pty Limited[1,5]
Hodvale Pty Limited[1,5]
Home Mart Furniture Pty Limited
Home Mart Pty Limited
Hoxco Pty Limited[1,6]
J.M. Albury Franchisor Pty Limited
J.M. Albury Leasing Pty Limited
J.M. Alexandria Franchisor Pty Limited
J.M. Alexandria Leasing Pty Limited
J.M. Auburn Franchisor Pty Limited[1]
J.M. Ballina Franchisor Pty Limited
J.M. Ballina Leasing Pty Limited
J.M. Bennetts Green Franchisor Pty Limited
J.M. Bennetts Green Leasing Pty Limited
J.M. Campbelltown Franchisor Pty Limited[1]
J.M. Campbelltown Leasing Pty Limited
J.M. Caringbah Franchisor Pty Limited[1]
J.M. Caringbah Leasing Pty Limited
J.M. Chancellor Park Franchisor Pty Limited
J.M. Chancellor Park Leasing Pty Limited
J.M. Contracting Services Pty Limited[1]
J.M. Dubbo Franchisor Pty Limited
J.M. Dubbo Leasing Pty Limited
J.M. Leasing Pty Limited
J.M. Mackay Franchisor Pty Limited
J.M. Mackay Leasing Pty Limited
J.M. Maitland Franchisor Pty Limited
J.M. Maitland Leasing Pty Limited
J.M. Maroochydoore Franchisor Pty Limited
J.M. Maroochydoore Leasing Pty Limited
J.M. Marrickville Franchisor Pty Limited[1]
J.M. Marrickville Leasing Pty Limited
J.M. McGraths Hill Franchisor Pty Limited
J.M. McGraths Hill Leasing Pty Limited
J.M. Morayfield Franchisor Pty Limited
J.M. Morayfield Leasing Pty Limited
J.M. Mudgee Franchisor Pty Limited
J.M. Mudgee Leasing Pty Limited
J.M. Muswellbrook Franchisor Pty Limited
J.M. Muswellbrook Leasing Pty Limited
J.M. Newcastle Franchisor Pty Limited[1]
J.M. Nowra Franchisor Pty Limited
J.M. Nowra Leasing Pty Limited
J.M. Plant & Equipment Hire Pty Limited
J.M. Rockhampton Franchisor Pty Limited
J.M. Rockhampton Leasing Pty Limited
J.M. Share Investment Pty Limited
J.M. Toukley Franchisor Pty Limited
J.M. Toukley Leasing Pty Limited
J.M. Townsville Franchisor Pty Limited
J.M. Townsville Leasing Pty Limited
J.M. Wagga Wagga Franchisor Pty Limited
J.M. Wagga Wagga Leasing Pty Limited
J.M. Wallsend Franchisor Pty Limited
J.M. Wallsend Leasing Pty Limited
J.M. Warners Bay Franchisor Pty Limited
J.M. Warners Bay Leasing Pty Limited
J.M. Warrawong Franchisor Pty Limited
J.M. Warrawong Leasing Pty Limited
J.M. West Gosford Franchisor Pty Limited
J.M. West Gosford Leasing Pty Limited
J.M. Young Franchisor Pty Limited
J.M. Young Leasing Pty Limited
Jartoso Pty Limited[1]
JM Online Franchisor Pty Limited
JM Online Leasing Pty Limited
Jondarlo Pty Limited[1]
Joyce Mayne Furnishing Pty Limited
Joyce Mayne Home Cellars Pty Limited
Joyce Mayne Kotara Leasing Pty Limited
Joyce Mayne Liverpool Leasing Pty Limited
Joyce Mayne Penrith Pty Limited
Joyce Mayne Shopping Complex Pty Limited
Kalinya Development Pty Limited
Kambaldu Pty Limited[1]
Kita Pty Limited[1]
Kitchen Point Pty Limited
Koodero Pty Limited[1]
Korinti Pty Limited[1]
Lamino Pty Limited[1]
Lesandu Adelaide City Pty Limited
Lesandu Adelaide CK Pty Limited
Lesandu Albany Pty Limited
Lesandu Albury Pty Limited
Lesandu Alexandria (JM) Pty Limited
Lesandu Alexandria DM Pty Limited
Lesandu Alexandria Pty Limited
Lesandu Alice Springs Pty Limited
Lesandu Ararat Pty Limited
Lesandu Aspley Pty Limited
Lesandu Atherton Pty Limited
Lesandu Auburn Stone Pty Limited
Lesandu Ayr Pty Limited
Lesandu Bairnsdale Pty Limited
Lesandu Balgowlah Pty Limited
Lesandu Ballina JM Pty Limited
Lesandu Batemans Bay Pty Limited
Lesandu Bathurst Pty Limited
Lesandu Bella Vista Pty Limited
Lesandu Belmont Pty Limited
Lesandu Belrose DM Pty Limited
Lesandu Benalla Pty Limited
Lesandu Bennetts Green JM Pty Limited
Lesandu Bentleigh Pty Limited
Lesandu Berrimah Pty Limited
Lesandu Blacktown Pty Limited
Lesandu Bondi Junction Pty Limited
Lesandu Brisbane City Pty Limited
Lesandu Broadbeach Pty Limited
Lesandu Broadway Pty Limited
Lesandu Broken Hill Pty Limited
Lesandu Brooklyn Pty Limited
Lesandu Browns Plains No. 1 Pty Limited
Lesandu Browns Plains Pty Limited
Lesandu Burleigh Heads Flooring Pty Limited
Lesandu Busselton Pty Limited
Lesandu Cambridge Pty Limited
Lesandu Cannington Pty Limited
Lesandu Cannonvale Pty Limited
Lesandu Capalaba Pty Limited
Lesandu Carindale Pty Limited
Lesandu Castle Hill DM Pty Limited
Lesandu Castle Hill Pty Limited
Lesandu Cessnock (JM) Pty Limited
Lesandu Chadstone Pty Limited
Lesandu Charmhaven Pty Limited
Lesandu Chatswood Express Pty Limited
Lesandu Chatswood Pty Limited
Lesandu Cheltenham Pty Limited
Lesandu Chirnside Park Pty Limited
Lesandu Cleveland Pty Limited
Lesandu Cobar Pty Limited
Lesandu Coffs Harbour Pty Limited
Lesandu Coorparoo Pty Limited
Lesandu CP Aspley Pty Limited
Lesandu CP Bayswater Pty Limited
Lesandu CP Belmont Pty Limited
Lesandu CP Bendigo Pty Limited
Lesandu CP Braybrook Pty Limited
Lesandu CP Bundaberg Pty Limited
Lesandu CP Bundaberg WH 2 Pty Limited
Lesandu CP Bundaberg WH Pty Limited
Lesandu CP Burleigh Waters Pty Limited
Lesandu CP Coburg Pty Limited
Lesandu CP Dandenong Pty Limited
Lesandu CP Joondalup Pty Limited
Lesandu CP Loganholme Pty Limited
Lesandu CP Macgregor Pty Limited
Lesandu CP Macgregor WH Pty Limited
Lesandu CP Mackay Pty Limited
Lesandu CP Malvern Pty Limited
Lesandu CP Malvern WH Pty Limited
Lesandu CP Mandurah Pty Limited
Lesandu CP Maroochydoore Pty Limited
Lesandu CP Maroochydoore WH Pty Limited
Lesandu CP Maryborough Pty Limited
Lesandu CP Midland Pty Limited
Lesandu CP Moonah Pty Limited
Lesandu CP Moorabbin Pty Limited
Lesandu CP Morayfield Pty Limited
Lesandu CP Mornington Pty Limited
Lesandu CP Mt Druitt Pty Limited
Lesandu CP O'Connor Pty Limited
Lesandu CP Osborne Park CL Pty Limited
Lesandu CP Osborne Park Pty Limited
Lesandu CP Osborne Park WH Pty Limited
Lesandu CP Richmond CL Pty Limited
Lesandu CP Richmond Pty Limited
Lesandu CP Richmond WH Pty Limited
Lesandu CP Ringwood CL Pty Limited
Lesandu CP Ringwood Home Pty Limited
Lesandu CP Ringwood Pty Limited
Lesandu CP Ringwood WH Pty Limited
Lesandu CP Thomastown Pty Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Lesandu CP Victoria Park Pty Limited
Lesandu CP Welshpool WH Pty Limited
Lesandu Cranbourne Pty Limited
Lesandu Dalby Pty Limited
Lesandu Dandenong Pty Limited
Lesandu Deniliquin Pty Limited
Lesandu Dubbo JM Pty Limited
Lesandu Dubbo Pty Limited
Lesandu Eden Pty Limited
Lesandu Engadine Pty Limited
Lesandu Erina Flooring Pty Limited
Lesandu Forster Pty Limited
Lesandu Fremantle No 2 Pty Limited
Lesandu Fremantle Pty Limited
Lesandu Fyshwick Pty Limited
Lesandu Gaven Pty Limited
Lesandu Gepps Cross Pty Limited
Lesandu Gladstone Pty Limited
Lesandu Gordon Pty Limited
Lesandu Goulburn Pty Limited
Lesandu Grafton Pty Limited
Lesandu Greensborough Pty Limited
Lesandu Griffith Pty Limited
Lesandu Gunnedah Pty Limited
Lesandu Hamilton (VIC) Pty Limited
Lesandu Hamilton Pty Limited
Lesandu Hervey Bay Pty Limited
Lesandu HN Pty Limited
Lesandu Horsham Pty Limited
Lesandu Indooroopilly Pty Limited[1]
Lesandu Innisfail Pty Limited
Lesandu Inverell Pty Limited
Lesandu Ipswich Pty Limited
Lesandu Jandakot Pty Limited
Lesandu Joondalup Pty Limited
Lesandu Kalgoorlie Pty Limited
Lesandu Karratha Pty Limited
Lesandu Knox Towerpoint Pty Limited
Lesandu Kotara DM Pty Limited
Lesandu Launceston Pty Limited
Lesandu Leichhardt M Pty Limited
Lesandu Light Street DM Pty Limited
Lesandu Lismore Pty Limited
Lesandu Lithgow Pty Limited
Lesandu Loganholme Pty Limited
Lesandu Mackay Pty Limited
Lesandu Maddington Pty Limited
Lesandu Maitland JM Pty Limited
Lesandu Maitland Pty Limited
Lesandu Malaga Pty Limited
Lesandu Mandurah Pty Limited
Lesandu Marion Pty Limited
Lesandu Maroochydoore JM Pty Limited
Lesandu Maroochydore Flooring Pty Limited
Lesandu McGraths Hill (JM) Pty Limited
Lesandu Melbourne City DM Pty Limited
Lesandu Mentone Pty Limited
Lesandu Midland Pty Limited
Lesandu Mile End Pty Limited
Lesandu Mitchell Pty Limited
Lesandu Moe Pty Limited
Lesandu Moorabbin Pty Limited
Lesandu Moore Park Pty Limited
Lesandu Moree Pty Limited
Lesandu Morley Pty Limited
Lesandu Mornington Pty Limited
Lesandu Morwell WH Pty Limited
Lesandu Moss Vale Pty Limited
Lesandu Mt Barker Pty Limited
Lesandu Mt Gravatt Pty Limited
Lesandu Mt Isa Pty Limited
Lesandu Munno Para Pty Limited
Lesandu Murray Bridge Pty Limited
Lesandu Muswellbrook JM Pty Limited
Lesandu Muswellbrook Pty Limited
Lesandu Narrabri Pty Limited
Lesandu Narre Warren Pty Limited
Lesandu Newcastle West Pty Limited
Lesandu Noarlunga Pty Limited
Lesandu Noosa Pty Limited
Lesandu North Ryde DM Pty Limited
Lesandu Notting Hill Pty Limited
Lesandu Nowra Pty Limited
Lesandu Oakleigh CK Pty Limited
Lesandu O'Connor Pty Limited
Lesandu Orange Pty Limited
Lesandu Osborne Park Pty Limited
Lesandu Oxley Pty Limited
Lesandu Penrith DM Pty Limited
Lesandu Penrith Pty Limited
Lesandu Peppermint Grove Pty Limited
Lesandu Perth City West Pty Limited
Lesandu Port Lincoln Pty Limited[7]
Lesandu Port Macquarie Pty Limited
Lesandu Pty Limited[1]
Lesandu Raymond Terrace Pty Limited
Lesandu Richlands Pty Limited
Lesandu Richmond (VIC) Pty Limited
Lesandu Riverwood Pty Limited
Lesandu Rockhampton Pty Limited
Lesandu Rothwell Pty Limited
Lesandu S.A. Pty Limited
Lesandu Salamander Bay Pty Limited
Lesandu Sale Pty Limited
Lesandu Silverwater Pty Limited
Lesandu Sippy Downs JM Pty Limited
Lesandu Southport Pty Limited
Lesandu Stanmore Pty Limited
Lesandu Sunshine Pty Limited
Lesandu Swan Hill Pty Limited
Lesandu Sydenham Pty Limited
Lesandu Sydney City SS Pty Limited
Lesandu Tamworth Pty Limited
Lesandu Taree Home Mart Pty Limited
Lesandu Taree Pty Limited
Lesandu Taren Point Pty Limited
Lesandu Tasmania Pty Limited
Lesandu Temora Pty Limited
Lesandu Thomastown Pty Limited
Lesandu Toukley Pty Limited
Lesandu Townsville Pty Limited
Lesandu Tura Beach Pty Limited
Lesandu Tweed Heads Flooring Pty Limited
Lesandu Tweed Heads Pty Limited[1]
Lesandu Underwood Pty Limited
Lesandu WA Furniture Pty Limited
Lesandu WA Pty Limited[1]
Lesandu Wagga Wagga JM Pty Limited
Lesandu Wagga Wagga Pty Limited
Lesandu Wallsend JM Pty Limited
Lesandu Wangaratta Pty Limited
Lesandu Warana JM Pty Limited
Lesandu Warana Pty Limited
Lesandu Warners Bay JM Pty Limited
Lesandu Warragul Pty Limited
Lesandu Warrawong Pty Limited
Lesandu Warwick (WA) Pty Limited
Lesandu Warwick Pty Limited
Lesandu Waurn Ponds Pty Limited
Lesandu West Gosford DM Pty Limited
Lesandu West Gosford JM Pty Limited
Lesandu West Wyalong Pty Limited
Lesandu Wiley Park Pty Limited
Lesandu Windsor Pty Limited
Lesandu Wonthaggi Pty Limited
Lesandu Woodville Pty Limited
Lesandu Young JM Pty Limited
Lexeri Pty Limited[1]
Lightcorp Pty Limited
Lighting Venture Pty Limited[1]
Lodare Pty Limited[1]
Loreste Pty Limited[1]
Malvis Pty Limited[1]
Manutu Pty Limited[1]
Maradoni Pty Limited[1]
Marinski Pty Limited[1]
Mega Flooring Depot Pty Limited
Misstar Pty Limited
Murray Street Development Pty Limited
Mymasterpiece Pty Limited [5]
Nedcroft Pty Limited[1]
Network Consumer Finance (Ireland) Limited[18,15]
Network Consumer Finance (N.Z.) Limited[9,10]
Network Consumer Finance Pty Limited[1]
Nomadale Pty Limited[1,6]
Norman Ross Limited [9,10]
Norman Ross Pty Limited[1]
Oldmist Pty Limited[1]
Oslek Developments Pty Limited
Osraidi Pty Limited[1]
P & E Crows Nest Pty Limited
P & E Homewest Pty Limited
P & E Leichhardt Pty Limited
P & E Maddington Pty Limited
P & E Shopfitters Pty Limited
Packcom Pty Limited
PEM Corporate Pty Limited
Pertama Holdings Pte Limited
(formerly Pertama Holdings Limited)[11,16,17]
Plezero Pty Limited[1]
Poliform Pty Limited[26]
QCV Benaraby Pty Limited [29]
QCV Fairview Pty Limited[30]
QCV Injune Pty Limited[31]
QCV Miles Pty Limited[33]
QCV Pty Limited [28]
QCV Sarina Pty Limited[32]
R.Reynolds Nominees Pty Limited
Recline A Way Franchisor Pty Limited
RH Online Pty Limited
Rosieway Pty Limited[1]
Sarsha Pty Limited[1]
Setto Pty Limited[1]
Shakespir Pty Limited
Signature Computers Pty Limited
Solaro Pty Limited[1]
Space Furniture Pte Limited[11,16]
Space Furniture Pty Limited[3]
Spacepol Pty Limited
Stonetess Pty Limited[1]
Stores (NZ) Limited [9,10]
Stores Securitisation (NZ) Limited[10]
Stores Securitisation Pty Limited
Strathloro Pty Limited[1]
Stupendous Pty Limited[1,20]
Superguard Pty Limited
Swaneto Pty Limited[1]
Swanpark Pty Limited[1,6]
Tatroko Pty Limited[1]
Tessera Stones & Tiles Australia Pty Limited
Tessera Stones & Tiles Pty Limited[1,8]
The Byron At Byron Pty Limited[1]
Tisira Pty Limited[1]
Valecomp Recovery Pty Limited
Ventama Pty Limited[1,4]
Wadins Pty Limited[1]
Waggafurn Pty Limited
Wanalti Pty Limited[1]
Warungi Pty Limited[1]
Waytango Pty Limited[1]
Webzone Pty Limited
Wytharra Pty Limited[1]
Yoogalu Pty Limited[1,2]
Zabella Pty Limited[1]
Zavarte Pty Limited[1]
Zirdano Pty Limited[1]
Zirdanu Pty Limited[1]

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited (continued)

Notes

Shareholdings in companies listed in Note 38 are consistent with prior year unless otherwise stated below.

1 Company is a member of the "Closed Group".
2 Company is relieved under the Class Order described in Note 39.
3 Derni Pty Ltd holds 49% and Kita Pty Ltd holds 51% of the shares in Space Furniture Pty Limited.
4 Shares held by Sarsha Pty Limited.
5 Shares held by Harvey Norman Retailing Pty Limited.
6 Shares held by Harvey Norman Stores Pty Limited.
7 Company acquired during the year.
8 Shares held by Stonetess Pty Limited.
9 Shares held by Harvey Norman Limited.
10 Company incorporated in New Zealand.
11 Company incorporated in Singapore.
12 Company incorporated in Slovenia.
13 Company incorporated in Malaysia
14 Company incorporated in Croatia.
15 Company incorporated in Ireland.
16 Harvey Norman Singapore Pte Limited owns 100% of the shares in Bencoolen Properties Pte Limited, 60% of the shares in Harvey Norman Ossia (Asia) Pte Limited, 100% of the shares in Space Furniture Pte Limited, and 50.62% (2013: 33.78%) of the shares in Pertama Holdings Pte Limited.
17 Harvey Norman Ossia (Asia) Pte Limited holds 49.38% of the shares in Pertama Holdings Pte Limited.
18 Shares held by Harvey Norman Holdings (Ireland) Limited.
19 Shares held by Setto Pty Limited.
20 Shares held by Calardu Pty Limited.
21 Shares held by Calardu Armidale Pty Limited.
22 Lighting Venture Pty Limited owns 72% of shares in Glolight Pty Limited.
23 Yoogalu Pty Ltd holds 50.5% of the shares in Australian Business Skills Centre Pty Limited.
24 HN Byron No 3 Pty Limited holds 50% of the shares in Byron Bay Facilities Pty Limited.
25 Yoogalu Pty Ltd holds 50% of the shares in Byron Bay Management Pty Limited.
26 Derni Pty Ltd holds 1% and Kita Pty Ltd holds 99% of the shares in Poliform Pty Ltd.
27 Yoogalu Pty Limited holds 100% of the shares in ABSC Online Pty Limited.
28 HN QCV Pty Limited holds 50% of the shares in QCV Pty Limited.
29 HN QCV Benaraby Pty Limited holds 50% of the shares in QCV Benaraby Pty Limited.
30 HN QCV Fairview Pty Limited holds 50% of the shares in QCV Fairview Pty Limited.
31 HN QCV Injune Pty Limited holds 50% of the shares in QCV Injune Pty Limited.
32 HN QCV Sarina Pty Limited holds 50% of the shares in QCV Sarina Pty Limited.
33 HN QCV LOR Pty Limited holds 50% of the shares in QCV Miles Pty Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

A.C.N. 098 004 570 No. 2 Trust
A.C.N. 100 478 402 No. 2 Trust
ABSC Online Trust ***
Agofurn No. 2 Trust**
Alexall No. 2 Trust
Alexstore No. 2 Trust**
Alice Springs Superstore No 2 Trust
Annastore No.2 Trust**
Armagar No. 2 Trust**
Armavit No. 2 Trust
Aspley Superstore No. 2 Trust**
Atheravit No. 2 Trust**
Atherton Superstore No 2 Trust
Aubapp No. 2 Trust
Aublect No. 2 Trust
Aubstore No. 2 Trust**
Aubtrade No. 2 Trust
Australian Business Skills Centre Trust***
Avitalb No. 2 Trust**
Avitberg No 2 Trust
Avitmaroo No. 2 Trust**
Aviton No. 2 Trust**
Ballifurn No. 2 Trust**
Barkerstore No 2 Trust
Beauforda No. 2 Trust**
Becto Trust
Bedaga No. 2 Trust**
Bedalb No. 2 Trust**
Bedebeds No 2 Trust
Bedlunga No 2 Trust
Bedmark No 2 Trust
Bedwick No. 2 Trust
Bellbed No. 2 Trust
Belmavit No. 2 Trust**
Belnorth No 2 Trust
Belstore No 2 Trust
Benavit No. 2 Trust**
Bieravit No 2 Trust
Big Apple Trust
Birfurn No. 2 Trust**
BP Bedding No. 2 Trust**
Bp Superstore No 2 Trust
Broadavit No. 2 Trust**
Bunburel No. 2 Trust**
Bunbury Superstore No. 2 Trust
Bunburyfurn No. 2 Trust
Bundaberg Superstore No. 2 Trust
Bundalvit No. 2 Trust**
Bundastore No 2 Trust
Bundbed No 2 Trust
Burlestore No. 2 Trust**
Busselcom No. 2 Trust
Busselstore No. 2 Trust**
Busvit No 2 Trust
Cairnlect No. 2 Trust
Cairns Superstore No 2 Trust
Calardu A.C.T. No. 2 Trust
Calardu ACT Trust
Calardu Adderley Street Trust
Calardu Albany Trust
Calardu Albury Trust
Calardu Alexandria DM Trust
Calardu Alexandria WH Trust
Calardu Alice Springs Trust
Calardu Armadale WA Trust
Calardu Armidale Trust
Calardu Aspley Trust
Calardu Auburn No. 1 Trust
Calardu Auburn No. 2 Trust
Calardu Auburn No. 3 Trust
Calardu Auburn No. 4 Trust
Calardu Auburn No. 5 Trust
Calardu Auburn No. 6 Trust
Calardu Auburn No. 7 Trust
Calardu Auburn No. 8 Trust
Calardu Auburn No. 9 Trust
Calardu Ballarat Trust
Calardu Ballina No. 1 Trust
Calardu Ballina Trust
Calardu Bathurst Trust
Calardu Beaufort Street Trust
Calardu Bellevue Hill Trust
Calardu Belrose DM Trust
Calardu Bennetts Green Trust
Calardu Bennetts Green Warehouse Trust
Calardu Berri Trust
Calardu Berrimah Trust
Calardu Brickworks (S.A.) Trust
Calardu Broadmeadow No. 1 Trust
Calardu Broadmeadow No. 2 Trust
Calardu Broadmeadows VIC Trust
Calardu Brookvale Trust
Calardu Browns Plains No. 1 Trust
Calardu Browns Plains Trust
Calardu Bunbury Trust
Calardu Bundaberg No. 1 Trust
Calardu Bundaberg Trust
Calardu Bundaberg WH Trust
Calardu Bundall Trust
Calardu Burnie Trust
Calardu Cairns Trust
Calardu Cambridge Trust
Calardu Campbelltown Trust
Calardu Cannington Trust
Calardu Caringbah (Taren Point) Trust
Calardu Caringbah Trust
Calardu Crows Nest Trust
Calardu Cubitt Trust
Calardu Darwin Trust
Calardu Devonport Trust
Calardu Dubbo Trust
Calardu Emerald Trust
Calardu Frankston Trust
Calardu Frankston WH Trust
Calardu Fyshwick DM Trust
Calardu Gepps Cross No 2 Trust
Calardu Gepps Cross No. 3 Trust
Calardu Gepps Cross Trust
Calardu Gladstone Trust
Calardu Gordon Trust
Calardu Guildford Trust
Calardu Gympie Trust
Calardu Hervey Bay Trust
Calardu Hobart Trust
Calardu Hoppers Crossing Trust
Calardu Horsham Trust
Calardu Innisfail Trust
Calardu Ipswich Trust**
Calardu Jandakot No 1 Trust
Calardu Jandakot Trust
Calardu Joondalup Trust
Calardu Kalgoorlie Oswald St Trust
Calardu Kalgoorlie Trust
Calardu Karana Downs Trust
Calardu Karratha Trust
Calardu Kawana Waters Trust
Calardu Kemblawarra Trust
Calardu Kingaroy Trust
Calardu Kotara Trust
Calardu Launceston Trust
Calardu Lismore Trust
Calardu Loganholme Trust
Calardu Mackay No 1 Trust
Calardu Mackay No 2 Trust
Calardu Mackay Trust
Calardu Maitland Trust
Calardu Malaga Trust
Calardu Mandurah Trust
Calardu Maribyrnong 1995 Trust
Calardu Maribyrnong Trust
Calardu Marion No. 1 Trust
Calardu Marion Trust
Calardu Maroochydore Trust
Calardu Maroochydore Warehouse Trust
Calardu Maryborough Trust
Calardu Melville Trust
Calardu Mentone Trust
Calardu Midland Trust
Calardu Milton Trust
Calardu Morayfield Trust
Calardu Morwell Trust
Calardu Moss Vale Trust
Calardu Mt Isa Trust
Calardu Mt. Gambier Trust
Calardu Mudgee Trust
Calardu Munno Para Trust
Calardu No. 1 Trust
Calardu No. 2 Trust
Calardu No. 3 Trust
Calardu Noarlunga Trust
Calardu Noble Park WH Trust
Calardu Noosa Trust
Calardu North Ryde No. 1 Trust
Calardu North Ryde No. 2 Trust
Calardu North Ryde Trust
Calardu Northbridge Trust
Calardu Nowra Trust
Calardu Oxley Trust
Calardu Penrith No. 1 Trust
Calardu Penrith Trust
Calardu Perth City West Trust
Calardu Port Macquarie Trust
Calardu Preston Trust
Calardu Raine Square Trust
Calardu Richmond Trust
Calardu Rockhampton No. 2 Trust
Calardu Rockhampton Trust
Calardu Rockingham Trust
Calardu Rosebery Trust
Calardu Roselands Trust
Calardu Rothwell Trust
Calardu Rutherford Trust
Calardu Rutherford Warehouse Trust
Calardu Sale Trust
Calardu Silverwater Trust
Calardu Springvale Trust
Calardu Stapylton Trust
Calardu Surry Hills Trust**
Calardu Swan Hill Trust
Calardu Sylvania Trust
Calardu Taree Trust
Calardu Taren Point Trust
Calardu Thebarton Trust
Calardu Thomastown Trust
Calardu Toorak Trust
Calardu Toowoomba No. 1 Trust
Calardu Toowoomba No. 2 Trust**
Calardu Toowoomba Trust
Calardu Toowoomba WH Trust
Calardu Townsville Trust
Calardu Tweed Heads No. 1 Trust
Calardu Tweed Heads Traders Way Trust
Calardu Tweed Heads Trust
Calardu Vicfurn Trust
Calardu Warrawong (Homestarters) No. 1 Trust
Calardu Warrawong (Homestarters) Trust
Calardu Warrawong No. 1 Trust
Calardu Warrawong No. 2 Trust
Calardu Warrawong Trust
Calardu Warrnambool Trust
Calardu Warwick Trust
Calardu West Gosford Trust
Calardu Whyalla Trust
Calardu Wivenhoe Trust
Cannavit No 2 Trust
Cannonel No. 2 Trust
Cannonvale Superstore No 2 Trust
Cannters No. 2 Trust
Capafloor No 2 Trust
Capalaba Superstore No 2 Trust
Capteha No 2 Trust
Carcom No. 2 Trust
Cardlect No. 2 Trust
Carindale Superstore No. 2 Trust**
Carinlect No. 2 Trust
Carroll Bedding Centre No 2 Trust
Castore No. 2 Trust

Notes to the Financial Statements (continued)

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

CBG Trust
Cellson No 2 Trust
Chanavit No. 2 Trust
Chancavit No. 2 Trust**
Chancelect No. 2 Trust
Charmela No. 2 Trust
Chatex No. 2 Trust
Chatswood Superstore No 2 Trust
Citiavit No 2 Trust
Cityware No 2 Trust
Clemsonstore No 2 Trust**
Clevavit No. 2 Trust**
Clevcom No. 2 Trust
Comaub No. 2 Trust
Comcam No. 2 Trust
Comgos No.2 Trust
Comhill No. 2 Trust
Comkaw No. 2 Trust
Comparoo No. 2 Trust
Compgrav No. 2 Trust
Comroc No. 2 Trust
Comwick No. 2 Trust
Coorparoo Electrics No. 2 Trust
Coorparoo Furniture No. 2 Trust
Creekavit No. 2 Trust**
Crossavit No 2 Trust
CW Superstore No. 2 Trust
Dalbavit No 2 Trust
Dalby Store No 2 Trust
Dallcom No. 2 Trust
Daltec No. 2 Trust
Daltel No. 2 Trust
Daravit No. 2 Trust**
Darwin Superstore No. 2 Trust**
Designal No. 2 Trust**
Durahbed No. 2 Trust**
Eastore No. 2 Trust**
Edgestore No 2 Trust
Energy Incentive Team Trust**
Everton Park Superstore No. 2 Trust**
Fifel No 2 Trust
Filfurn No. 2 Trust
Floorcom No. 2 Trust
Floorley No 2 Trust
Floormunno No 2 Trust
Floorox No 2 Trust
Floorpara No. 2 Trust**
Fortley No. 2 Trust
Fremstore No. 2 Trust
Furnhampton No 2 Trust
Furnko No. 2 Trust**
Furnmore No. 2 Trust
Furnola No 2 Trust
Furnroc No. 2 Trust
Furnwest No 2 Trust
Fyshcom No. 2 Trust
Gamavit No 2 Trust
Gardstore No. 2 Trust
GC Avitstore No 2 Trust
Gelfurn No. 2 Trust
Geppstore No. 2 Trust**
Geraldel No. 2 Trust
Geraldton WA No. 1 Trust
Geraldton WA No. 2 Trust
Geraldtonel No 2 Trust
Geravit No. 2 Trust**
Gladavit No 2 Trust
Gladstonavit No. 2 Trust**
Gladstores Qld No. 2 Trust
Glenorchy Computers No. 2 Trust
Glenorchy Electrics No. 2 Trust
Goscane No. 2 Trust
Gravavit No. 2 Trust**
Gravbed No. 2 Trust**
Gravking No. 2 Trust**
Gregorstore No 2 Trust
GS Store No. 2 Trust**
Gymavit No 2 Trust
Gymfurn No. 2 Trust**
Gymstore No. 2 Trust**
Gymteha No 2 Trust
H.N. Cards Trust
Hampstore No. 2 Trust**
Hamptonavit No. 2 Trust**
Harvey Norman Burnie Franchisor Unit Trust
Harvey Norman Devonport Franchisor Unit Trust
Harvey Norman Discounts No. 1 Trust
Harvey Norman Glenorchy Franchisor Unit Trust
Harvey Norman Hobart Franchisor Unit Trust
Harvey Norman Launceston Franchisor Unit Trust
Harvey Norman Lighting Asset Trust
Harvey Norman Lighting No. 1 Trust
Harvey Norman Liquor Unit Trust
Harvey Norman No. 1 Trust
Harvey Norman Rosney Franchisor Unit Trust
Harvey Norman Shopfitting Trust
Harvey Norman Tasmania Agent Unit Trust
Harvey Norman Ulverstone Franchisor Unit Trust
HB Superstore No. 2 Trust
Helect No. 2 Trust
Herveyfurn No. 2 Trust
HN QCV Sarina Land Trust**
Holmefurn No. 2 Trust**
Homefurn No. 2 Trust**
Huffurn No 2 Trust
Hushbara No. 2 Trust**
Indavit No. 2 Trust
Innavit No. 2 Trust**
Inrolect No. 2 Trust
Ipavit No 2 Trust
Jofurn No 2 Trust
Johnanan No 2 Trust
Joolfurn No. 2 Trust**
Joonavit No. 2 Trust**
Joonlect No. 2 Trust
Kalavit No. 2 Trust**
Kalgoorlie Superstore No 2 Trust
Kalgor No. 2 Trust**
Kalinya Unit Trust
Karratha Superstore No 2 Trust
Kawstore No. 2 Trust**
Kaystore No 2 Trust
Keybed No. 2 Trust**
Kingavit No 2 Trust
KW Superstore No. 2 Trust**
Labafloors No. 2 Trust**
Lamino Investments No. 1 Trust
Lamino Investments No. 2 Trust
Lamino Investments No. 3 Trust
Lamino Investments No. 4 Trust
Lamino Investments No. 5 Trust
Lamino Investments No. 6 Trust
Landavit No. 2 Trust**
Landbed No. 2 Trust**
Lanfleg No. 2 Trust**
Lectfield No. 2 Trust**
Leighstore No 2 Trust
Lesandu Albury Trust
Lesandu Campbelltown Trust
Lesandu Fairfield Trust
Lesandu Gordon Trust
Lesandu Gosford Trust
Lesandu Miranda Trust
Lesandu Newcastle Trust
Lesandu No. 1 Trust
Lesandu Penrith Trust
Lesandu Tamworth Trust
Lesandu Warrawong Trust
Lesandu Warringah Mall Trust
Leylect No 2. Trust
LJM Flooring No. 2 Trust**
Lodare No. 2 Trust
Lokstall No 2 Trust
Loravit No 2 Trust
Lunavit No 2 Trust
Mackavit No. 2 Trust**
Mackstore No 2 Trust
Mallavit No 2 Trust
Mallway No. 2 Trust
Mandfurn No 2 Trust
Mandurvit No 2 Trust
Mandurvit No. 2 Trust**
Mardarstore No. 2 Trust**
Mariavit No 2 Trust
Marionavit No 2 Trust
Marlect No. 2 Trust
Maroobed No. 2 Trust**
Maroochyfloor No 2 Trust
Maroostore No. 2 Trust**
Matfloors No 2 Trust
MH Bedding No 2 Trust
Michomar No. 2 Trust**
Mintavit No 2 Trust
Mionfloor No. 2 Trust**
MJW Flooring No. 2 Trust**
Moldarno No. 2 Trust**
Montavit No 2 Trust
Montstore No 2 Trust
Moorastore No 2 Trust
Morayfield Superstore No. 2 Trust**
Moraytec No. 2 Trust**
Mt Barker Superstore No. 2 Trust
Mt Gravatt Superstore No 2 Trust
Munnavit No 2 Trust
Murbed No 2 Trust
Murfloor No. 2 Trust**
Murray Street Development Trust
Nicjud No 2 Trust
Noarlungavit No 2 Trust
Noosa Superstore No 2 Trust
Noosavit No. 2 Trust**
Norwest Superstore No. 2 Trust**
Notlessub No. 2 Trust**
Oconavit No. 2 Trust
O'Connor Beds No. 2 Trust**
Oslect No. 2 Trust
Oslek Developments Trust
Oxley Superstore No. 2 Trust
Packcom No. 2 Trust
Palabafloor No. 2 Trust**
Paravit No. 2 Trust**
Parkel No. 2 Trust
Parolect No 2 Trust
Pepperavit No 2 Trust
Peppercom No. 2 Trust
Petrofus No 2 Trust
Plainavit No. 2 Trust
Port Kennedy Superstore No. 2 Trust**
Portavit No. 2 Trust**
Purad No 2 Trust
QCV Benaraby No. 1 Trust
Qvfurn No 2 Trust
Qvware No 2 Trust
Renval No. 2 Trust**
Ringwood Store No. 2 Trust**
Rinstore No 2 Trust
Robswin No. 2 Trust**
Rockavit No. 2 Trust
Rockfurn No. 2 Trust**
Rothavit No. 2 Trust**
Rothwell Bedding No. 2 Trust**
Rothwell Superstore No 2 Trust
Royavit No 2 Trust
Rugware No. 2 Trust
Shortell No. 2 Trust
Showtara No. 2 Trust
Springsel No 2 Trust
Stallack No. 2 Trust**
Stonavit No. 2 Trust**
Stonecom No. 2 Trust
Storecreek No 2 Trust
Storefield No 2 Trust
Storeplains No. 2 Trust**
Storewich No 2 Trust
Sudbeds No. 2 Trust**
Supabarker No. 2 Trust**
Supamaroo No. 2 Trust**
Suparoy No. 2 Trust**
Sydney No. 1 Trust
Tarilpe No. 2 Trust
Tecgrove No. 2 Trust
Technofloors No. 2 Trust**
The Calardu Trust
Thorrop No. 2 Trust**
Tolstore No. 2 Trust**
Toowoomba Superstore No. 2 Trust

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited (continued)

Toukavit No. 2 Trust**
Townavit No. 2 Trust**
Townsville Furniture No 2 Trust
Uzefene No 2 Trust
Valecomp No. 2 Trust
Vallavit No. 2 Trust**
Valley Superstore No. 2 Trust
Valleyfurn No. 2 Trust
Varnbeds No. 2 Trust**
Waggavit No. 2 Trust**
Warracom No. 2 Trust
Warwateha No 2 Trust
Warwavit No 2 Trust
Warwickavit No. 2 Trust**
Westore No. 2 Trust
Whyavit No 2 Trust
Whystore No 2 Trust
Wichavit No. 2 Trust**
Woden Superstore No 2 Trust
Wodenfurn No. 2 Trust
Woodavit No 2 Trust
Woodville Bedding No 2 Trust
Woombafloor No. 2 Trust**
Woombavit No. 2 Trust**
Yallavit No. 2 Trust**
Yoogalu Albury Trust
Yoogalu Campbelltown Trust
Yoogalu Fairfield Trust
Yoogalu Gordon Trust
Yoogalu Gosford Trust*
Yoogalu Lismore Trust
Yoogalu Miranda Trust
Yoogalu Newcastle Trust
Yoogalu Warrawong Trust
Yoogalu Warringah Mall Trust

Notes

* All the units in the Unit Trusts are held by Harvey Norman Holdings Limited.

** These trusts were acquired during the year.

*** Some of the units in this trust are held by Yoogalu Pty Limited, a wholly owned subsidiary of Harvey Norman Holdings Limited.

**** Trusts vested during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. Deed of Cross Guarantee

Certain controlled entities (Closed Group) have entered into a deed of cross guarantee dated 1 June 2004 with Harvey Norman Holdings Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of the Class Order issued by the Australian Securities and Investments Commission certain companies within the consolidated entity are relieved from the requirements to prepare financial statements.

- Controlled Entities (Refer Note 38) marked [1] are members of the "Closed Group".
- Controlled Entities (Refer Note 38) marked [2] are relieved under the Class Order.

The consolidated statement of financial position and income statement of the entities that are members of the "Closed Group" are as follows:

Consolidated Statement of Financial Position

	2014 $000	Restated 2013 $000
Current Assets		
Cash and cash equivalents	112,847	102,134
Trade and other receivables	1,188,508	1,119,938
Other financial assets	21,596	19,006
Inventories	52,466	61,043
Intangible assets	541	343
Other assets	11,615	15,388
Total current assets	1,387,573	1,317,852
Non-Current Assets		
Trade and other receivables	6,363	11,573
Investments accounted for using equity method	17,209	9,516
Other financial assets	112,489	112,483
Property, plant and equipment	148,649	176,432
Investment properties	1,900,431	1,850,657
Intangible assets	71,877	57,810
Deferred income tax assets	14,682	25,535
Total non-current assets	2,271,700	2,244,006
Total Assets	3,659,273	3,561,858
Current Liabilities		
Trade and other payables	567,963	454,057
Interest-bearing loans and borrowings	395,723	90,667
Income tax payable	18,953	18,522
Provisions	11,914	12,554
Other liabilities	366	1,394
Total current liabilities	994,919	577,194
Non-Current Liabilities		
Interest-bearing loans and borrowings	187,691	599,639
Provisions	8,860	7,604
Deferred income tax liabilities	161,082	158,482
Other liabilities	1,343	1,697
Total non-current liabilities	358,976	767,422
Total Liabilities	1,353,895	1,344,616
NET ASSETS	2,305,378	2,217,242
Equity		
Contributed equity	259,610	259,610
Reserves	4,811	(1,060)
Retained profits	2,040,957	1,958,692
TOTAL EQUITY	2,305,378	2,217,242

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. Deed of Cross Guarantee (continued)

Consolidated Income Statement

	2014 $000	2013 $000
Profit from continuing operations before income tax expense	261,003	202,338
Income tax expense	(67,195)	(28,465)
Profit after tax from continuing operations	193,808	173,873
Profit for the year	193,808	173,873
Retained earnings at the beginning of the year	1,958,692	1,875,116
Dividends provided for or paid	(111,543)	(90,297)
Retained earnings at the end of the year	2,040,957	1,958,692

40. Parent Entity Financial Information

(a) Summary Financial Information

	PARENT ENTITY	
	2014 $000	2013 $000
Statement of Financial Position		
Current assets	31	33
Non-current assets	2,118,095	2,015,255
Total assets	2,118,126	2,015,288
Current liabilities	19,467	19,308
Non-current liabilities	65,928	53,415
Total liabilities	85,395	72,723
Contributed equity	259,610	259,610
Retained profits	1,773,121	1,682,955
Total Equity	2,032,731	1,942,565
Profit for the Year	201,709	220,342
Total Comprehensive Income	201,709	220,342

(b) Contingent Liabilities

As at 30 June 2014, the Parent Company had guaranteed the performance of a number of controlled entities which have entered into operating leases and facilities with other parties totalling $242.01 million (2013: $295.43 million).

Directors' Declaration

In accordance with a resolution of the directors of Harvey Norman Holdings Limited, we state that:

In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
(ii) complying with Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 38 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.

G. HARVEY
Executive Chairman
Sydney
30 September 2014

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2014

Building a better working world

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Harvey Norman Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Harvey Norman Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Harvey Norman Holdings Limited is in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 21 to 40 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Harvey Norman Holdings Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Katrina Zdrilic
Partner
Sydney
30 September 2014

Shareholder Information

Distribution of Shareholdings as at 25 September 2014

Size of Holding	Ordinary Shareholders
1 – 1,000	5,103
1,001 – 5,000	5,379
5,001 – 10,000	1,227
10,001 – 100,000	1,073
100,001 and over	117
	12,899
Number of Shareholders With less than a marketable parcel	567

Voting Rights

All ordinary shares issued by Harvey Norman Holdings Limited carry one vote per share.

Twenty Largest Shareholders as at 25 September 2014

Number of Ordinary Shares	Shareholder	Percentage of Ordinary Shares
313,484,571	Mr Gerald Harvey	29.51%
175,353,127	Mr Christopher Herbert Brown	16.51%
101,985,827	National Nominees Limited	9.60%
100,717,321	J P Morgan Nominees Australia Limited	9.48%
87,317,128	HSBC Custody Nominees Limited	8.22%
51,026,504	Citicorp Nominees Pty Limited	4.80%
49,990,575	Ms Margaret Lynette Harvey	4.71%
33,648,408	RBC Investor Services	3.17%
23,088,799	BNP Paribas Noms Pty Limited & BNP Paribas Nominees Pty Limited	2.17%
17,118,200	Enbeear Pty Limited	1.61%
16,995,133	Ms Kay Lesley Page	1.60%
4,287,732	AMP Life Limited	0.40%
4,030,000	Argo Investments Limited	0.38%
3,962,549	QIC Limited	0.37%
3,111,642	UBS Nominees Pty Limited	0.29%
2,845,553	Mr Michael Harvey	0.27%
1,805,078	Omnilab Media Investments Pty Limited	0.17%
1,419,183	Bond Street Custodians Limited	0.13%
1,129,871	Mr Arthur Brew	0.11%
1,093,076	Warbont Nominees Pty Ltd	0.10%
994,410,277		93.61%

Total held by twenty largest shareholders as a percentage of total ordinary shares is 93.61% as at 25 September 2014.

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

AUSTRALIAN CAPITAL TERRITORY

FYSHWICK
Cnr Barrier & Ipswich Streets
Fyshwick 2609
Phone: (02) 6280 4140

NEW SOUTH WALES (SYDNEY SUBURBAN)

ALEXANDRIA
494 - 504 Gardeners Road
Alexandria 2015
Phone: (02) 9693 0666

AUBURN
250 Parramatta Road
Auburn 2144
Phone: (02) 9202 4888

AUBURN (Renovations & Seconds)
233 - 239 Parramatta Road
Auburn 2144
Phone: (02) 9202 4888

BALGOWLAH
176 - 190 Condamine Street
Balgowlah 2093
Phone: (02) 9948 4511

BLACKTOWN
Unit C5
Cnr Blacktown
& Bungarribee Roads
Blacktown 2148
Phone: (02) 9831 2155

BONDI
Shop 5016, Westfield Shopping Centre
500 Oxford Street
Bondi Junction 2022
Phone: (02) 8305 8800

BROADWAY
Shop 119
Broadway Bay Street
Broadway 2007
Phone: (02) 9211 3933

CAMPBELLTOWN
22A Blaxland Road
Campbelltown 2560
Phone: (02) 4621 5200

CARINGBAH
41 – 49 Willarong Road
Caringbah 2229
Phone: (02) 9542 7088

CASTLE HILL
18 Victoria Avenue
Castle Hill 2154
Phone: (02) 9840 8800

GORDON
802 - 808 Pacific Highway
Gordon 2072
Phone: (02) 9498 1499

LIVERPOOL
Liverpool Mega Centre
2/18 Orange Grove Road
Liverpool 2170
Phone: (02) 9600 3333

McGRATHS HILL
Unit 6A
264 – 272 Windsor Road
McGraths Hill 2756
Phone: (02) 4577 9577

MOORE PARK
Level 2, North SupaCenta
Cnr South Dowling Street
& Dacey Avenue
Moore Park 2021
Phone: (02) 9662 9888

MT DRUITT
Westfield Building
2 Carlisle Avenue
Mt Druitt 2770
Phone: (02) 8887 7300

PENRITH
Cr Mulgoa Rd & Wolseley St
Penrith 2750
Phone: (02) 4737 5111

WILEY PARK
1018 Canterbury Road
Wiley Park 2195
Phone: (02) 9740 6055

WILEY PARK (Hardware)
1155 Canterbury Road
Punchbowl 2196
Phone: (02) 9740 1153

NEW SOUTH WALES (COUNTRY)

ALBURY
430 Wilson Street
Albury 2640
Phone: (02) 6041 1944

ARMIDALE
Shop 8, Girraween Centre
Queen Elizabeth Drive
Armidale 2350
Phone: (02) 6771 3788

BALLINA
26 Boeing Avenue
Ballina 2478
Phone: (02) 6620 5300

BATEMANS BAY
Shop 5 Bay Central
1 Clyde Street
Bateman's Bay 2536
Phone: (02) 4472 5994

BATHURST
Sydney Road
Kelso 2795
Phone: (02) 6332 3399

BENNETTS GREEN
(HOMESTARTERS)
7 Abdon Close
Bennetts Green 2290
Phone: (02) 4948 4555

BROADMEADOW
(HOMESTARTERS)
35 - 43 Lambton Road
Broadmeadow 2292
Phone: (02) 4962 1770

BROKEN HILL
329-331 Blende Street
Broken Hill 2880
Phone: (08) 8088 2266

COBAR
27 Marshall Street
Cobar 2835
Phone: (02) 6836 3222

COFFS HARBOUR
252 Coffs Harbour Highway
Coffs Harbour 2450
Phone: (02) 6651 9011

DENILIQUIN
Cnr. Hardinge & Harfleur
Streets Deniliquin 2710
Phone: (03) 5881 5499

DUBBO
223 Cobra Street
Dubbo 2830
Phone: (02) 6826 8800

FORSTER
29 Breese Parade
Forster 2428
Phone: (02) 6554 5700

GOSFORD (ERINA)
Harvey Norman Shopping
Complex Karalta Lane
Erina 2250
Phone: (02) 4365 9500

GOULBURN
180 - 186 Auburn Street
Goulburn 2580
Phone: (02) 4824 3000

GRAFTON
125 Prince Street
Grafton 2460
Phone: (02) 6643 3266

GRIFFITH
Cnr Jondaryn &
Willandra Avenues
Griffith 2680
Phone: (02) 6961 0300

GUNNEDAH
117 Conadilly Street
Gunnedah 2380
Phone: (02) 6741 7900

INVERELL
50 Evans Streets
Inverell 2360
Phone: (02) 6721 0811

LAKE HAVEN
59 – 83 Pacific Highway
Lakehaven 2263
Phone: (02) 4394 6000

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

NEW SOUTH WALES (COUNTRY) (CONTINUED)

LISMORE
17 Zadoc Street
Lismore 2480
Phone: (02) 6621 8888

LITHGOW
175 Mian Street
Lithgow 2790
Phone: (02) 6351 2321

MACLEAN
211 River Street
Maclean 2463
Phone: (02) 6645 2611

MAITLAND
557 High Street
Maitland 2320
Phone: (02) 4934 2423

MOREE
103 Balo Street
Moree 2400
Phone: (02) 6752 7531

MOSS VALE
137 – 157 Lackey Road
Moss Vale 2577
Phone: (02) 4868 1039

MUDGEE
33 Castlereagh Highway
Mudgee 2850
Phone: (02) 6372 6514

MUSWELLBROOK
19 Rutherford Road
Muswellbrook 2333
Phone: (02) 6541 6800

NEWCASTLE
(BENNETTS GREEN)
7 Abdon Close
Bennetts Green 2290
Phone: (02) 4948 4555

NOWRA
Cnr Central Avenue
& Princess Highway
Nowra 2541
Phone: (02) 4421 1300

ORANGE
Unit 1, Orange Grove H/maker
Centre
Mitchell Highway
Orange 2800
Phone: (02) 6393 2222

PARKES
Shop 1, Saleyards Road
Parkes 2870
Phone: (02) 6862 2800

PORT MACQUARIE
140 Lake Road
Port Macquarie 2444
Phone: (02) 6581 0088

SALAMANDER BAY
270 Sandy Point Road
Salamander Bay 2317
Phone: (02) 4981 1292

TAMWORTH
43 The Ringers Road
Tamworth 2340
Phone: (02) 6765 1100

TAREE
9 Mill Close
Taree 2430
Phone: (02) 6551 3699

TEMORA
102 Hoskins Street
Temora 2666
Phone: (02) 6977 1777

TURA BEACH
Shop 1, 11 Tura Beach Drive
Tura Beach 2548
Phone: (02) 6495 0016

TWEED HEADS SOUTH
Harvey Norman Complex
29 - 41 Greenway Drive
Tweed Heads South 2486
Phone: (07) 5524 0111

WAGGA WAGGA
Homebase Centre
7 - 23 Hammond Avenue
Wagga Wagga 2650
Phone: (02) 6933 7000

WARRAWONG
Cnr King Street &
Shellharbour Road
Warrawong 2502
Phone: (02) 4275 2722

WEST WYALONG
114 Main Street
West Wyalong 2671
Phone: (02) 6972 2077

YOUNG
326 Boorowa Street
Young 2594
Phone: (02) 6382 5744

NORTHERN TERRITORY

ALICE SPRINGS
1 Colson Street
Alice Springs 0870
Phone: (08) 8950 4000

DARWIN
644 Stuart Highway
Berrimah 0828
Phone: (08) 8922 4111

QUEENSLAND (BRISBANE SUBURBAN)

ASPLEY
1411 - 1419 Gympie Road
Aspley 4034
Phone: (07) 3834 1100

BROWNS PLAINS
Unit 3
28 - 48 Browns Plains Road
Browns Plains 4118
Phone: (07) 3380 0600

CAPALABA
Shop 32 - 33 Capalaba Centre
38-62 Moreton Bay Road
Capalaba 4157
Phone: (07) 3362 6200

CARINDALE
Homemaker Centre
Cnr Carindale Street and
Old Cleveland Road
Carindale 4152
Phone: (07) 3398 0600

CLEVELAND
Shop 1A, 42 Shore Street West
Cleveland 4163
Phone: (07) 3488 8900

EVERTON PARK
429 Southpine Road
Everton Park 4053
Phone: (07) 3550 4444

LOGANHOLME
3890 - 3892 Pacific Highway
Loganholme 4558
Phone: (07) 3440 9200

MACGREGOR
555 Kessels Road
Macgregor 4109
Phone: (07) 3849 9500

MT GRAVATT
2049 Logan Street
Upper Mt Gravatt 4122
Phone: (07) 3347 7000

OXLEY
2098 Ipswich Road
Oxley 4075
Phone: (07) 3332 1100

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

QUEENSLAND (COUNTRY)

ATHERTON
57 Tolga Road
Atherton 4883
Phone: (07) 4091 0900

AYR
101 Queens Street
Ayr 4807
Phone: (07) 4783 3188

BUNDABERG
125 Takalvan Street
Bundaberg 4670
Phone: (07) 4151 1570

BUNDALL
29 - 45 Ashmore Road
Bundall 4217
Phone: (07) 5584 3111

BURLEIGH WATERS
1 Santa Maria Crt
Burleigh Waters 4220
Phone: (07) 5586 2000

CAIRNS
101 Spence Street
Portsmith 4870
Phone: (07) 4051 8499

CANNONVALE
Shop B2, Whitsunday Centre
8 Galbraith Drive
Cannonvale 4802
Phone: (07) 4969 8800

DALBY
58 Patrick Street
Dalby 4405
Phone: (07) 4672 4444

EMERALD
21 Ballard Street
Emerald 4720
Phone: (07) 4986 8100

GLADSTONE
Shop 1B Centro Centre
220 Dawson Highway
Gladstone 4680
Phone: (07) 4971 5000

GYMPIE
35-37 Edwin Campion Drive
Monkland 4570
Phone: (07) 5480 1500

HERVEY BAY
134 - 136 Boat Harbour Drive
Hervey Bay 4655
Phone: (07) 4124 3870

INNISFAIL
52/57 Ernest Street
Innisfail 4860
Phone: (07) 4061 1433

IPSWICH
Ipswich City Square
606 - 616, 163 Brisbane St
Ipswich 4305
Phone: (07) 3280 7400

KINGAROY
18 - 20 Rogers Drive
Kingaroy 4610
Phone: (07) 4160 0400

MACKAY
Cnr Bruce Highway &
Heath's Road
Glenella 4740
Phone: (07) 4942 2688

MAROOCHYDORE
Shop 5, Pacific Highway
Sunshine Homemaker Centre
Maroochydore 4558
Phone: (07) 5452 7144

MARYBOROUGH
72 - 74 Bazaar Street
Maryborough 4650
Phone: (07) 4123 1699

MORAYFIELD
Lot 8 Cnr Morayfield & Station Roads
Morayfield 4506
Phone: (07) 5428 8000

MT ISA
33 - 35 Miles Street
Mt Isa 4825
Phone: (07) 4743 5220

NOOSA
7 - 9 Gibson Road
Noosaville 4566
Phone: (07) 5473 1911

ROCKHAMPTON
407 Yaamba Road
North Rockhampton 4701
Phone: (07) 4926 2755

ROTHWELL
Unit 1
439 - 443 Anzac Avenue
Rothwell 4022
Phone: (07) 3897 8800

TOOWOOMBA
910 - 932 Ruthven Street
Toowoomba 4350
Phone: (07) 4636 7300

TOWNSVILLE
103 - 142 Duckworth Street
Garbutt 4814
Phone: (07) 4725 5561

WARWICK
Cnr Victoria St & Palmerin Sts
Warwick 4370
Phone: (07) 4666 9000

TASMANIA

BURNIE
64 Mount Street
Burnie 7320
Phone: (03) 6431 2134

CAMBRIDGE PARK
Unit B11
66 - 68 Kennedy Drive
Cambridge Park 7170
Phone: (03) 6248 3300

DEVONPORT
Cnr Best Street & Fenton Way
Devonport 7310
Phone: (03) 6424 5155

HOBART CITY
171 Murray Street
Hobart 7000
Phone: (03) 6230 1100

LAUNCESTON
Cnr William and Charles Sts
Launceston 7250
Phone: (03) 6337 9411

MOONAH
191 - 197 Main Road
Moonah 7009
Phone: (03) 6277 7777

SOUTH AUSTRALIA (ADELAIDE SUBURBAN)

CITY CROSS
Shop L1 31 - 33 Rundle Mall
Adelaide 5000
Phone: (08) 8168 8800

GEPPS CROSS
Unit 1, 760 Main North Road
Gepps Cross 5094
Phone: (08) 8342 8888

MARION
822 - 826 Marion Road
Marion 5043
Phone: (08) 8375 7777

MILE END COMMERCIAL
20 William Street
Mile End 5031
Phone: (08) 8150 8000

MT BARKER
6 Dutton Road
Adelaide Hills Homemaker Centre
Mt Barker 5251
Phone: (08) 8393 0800

MUNNO PARA
Lot 2005, Main North Road
Smithfield 5114
Phone: (08) 8254 0700

NOARLUNGA
Seaman Drive
Noarlunga 5168
Phone: (08) 8329 5400

WOODVILLE
853 - 867 Port Road
Woodville 5011
Phone: (08) 8406 0100

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

SOUTH AUSTRALIA (COUNTRY)

MT GAMBIER
Jubilee Highway East
Mt Gambier 5290
Phone: (08) 8724 6800

WHYALLA
Cnr Jamieson and
Kelly Streets
Whyalla 5600
Phone: (08) 8645 6100

VICTORIA (MELBOURNE SUBURBAN)

BROADMEADOWS
1185 - 1197 Pascoe Vale Rd
Broadmeadows 3047
Phone: (03) 9621 2800

CHADSTONE
699 Warrigal Road
Chadstone 3148
Phone: (03) 9567 6666

COBURG
Shop 8, 64 - 74 Gaffney St Coburg
3058
Phone: (03) 9240 2500

CHIRNSIDE PARK
286 Maroondah Highway
Mooroolbark 3138
Phone: (03) 9722 4400

DANDENONG
141 - 165 Frankston -
Dandenong Road
Dandenong 3175
Phone: (03) 9706 9992

FOUNTAIN GATE
Fountain Gate S/Centre
Overland Drive
Narre Warren 3805
Phone: (03) 8796 6777

HOPPERS CROSSING
Unit 1, 201 - 219 Old
Geelong Road
Hoppers Crossing 3029
Phone: (03) 8734 0000

KNOX
Shop 3105, Knox Centre
425 Burwood Highway
Wantirna South 3152
Phone: (03) 9881 3700

MARIBYRNONG (Highpoint)
169 Rosamond Road
Maribyrnong 3032
Phone: (03) 9318 2700

MOORABBIN
420 South Road
Moorabbin 3189
Phone: (03) 9555 1222

NUNAWADING
400 Whitehorse Road
Nunawading 3131
Phone: (03) 9872 6366

PRESTON
121 Bell Street
Preston 3072
Phone: (03) 9269 3300

RICHMOND
479 Bridge Street
Richmond 3131
Phone: (03) 8416 4100

SPRINGVALE
26/917 Princes Highway
Springvale 3171
Phone: (03) 9518 8500

SUNSHINE
484 Ballarat Road
Sunshine 3020
Phone: (03) 9334 6000

THOMASTOWN
308-320 Settlement Road
Thomastown 3074
Phone: (03) 9463 4777

VIC / TAS COMMERCIAL
951 Nepean Highway
Bentleigh 3204
Phone: (03) 8530 6300

WATERGARDENS
450 Melton Highway
Taylors Lakes 3038
Phone: (03) 9449 6300

VICTORIA (COUNTRY)

ARARAT
47-49 Vincent Street
Ararat 3377
Phone: (03) 5352 3377

BAIRNSDALE
294 Main Road
Bairnsdale 3875
Phone: (03) 5153 9700

BALLARAT
Cnr Howitt & Gillies Street
Wendouree 3355
Phone: (03) 5332 5100

BENDIGO
Cnr High & Ferness Streets
Kangaroo Flat 3555
Phone: (03) 5447 2333

FRANKSTON
87 Cranbourne Road
Frankston 3199
Phone: (03) 8796 0600

GEELONG
420 Princes Highway
Corio 3214
Phone: (03) 5274 1077

HAMILTON
Shop 10 Hamilton Central
Plaza 148 Gray Street
Hamilton 3300
Phone: (03) 5551 3500

HORSHAM
148 Firebrace Street
Horsham 3400
Phone: (03) 5381 5000

MILDURA
Cnr Fifteenth Street &
Etiwanda Ave
Mildura 3500
Phone: (03) 5051 2200

MOE
19 Moore Street
Moe 3825
Phone: (03) 5127 9500

MORNINGTON
Building C3
Peninsula Centre
Bungower Road
Mornington
Phone: (03) 5970 2500

MORWELL
232 Commercial Road
Morwell 3840
Phone: (03) 5120 0200

SALE
363 - 373 Raymond Street
Sale 3850
Phone: (03) 5144 3677

SHEPPARTON
7950 Goulburn Valley Hwy
Shepparton 3630
Phone: (03) 5823 2530

SWAN HILL
68 Nyah Road
Swan Hill 3585
Phone: (03) 5032 2901

TRARALGON
Cnr Princes Hwy & Liddiard Rds
Traralgon 3844
Phone: (03) 5174 8177

WANGARATTA
8 - 12 Murphy Street
Wangaratta 3677
Phone: (03) 5721 6377

WARRAGUL
33 Victoria Street
Warragul 3820
Phone: (03) 5623 9000

WARRNAMBOOL
84 Raglan Parade
Warrnambool 3280
Phone: (03) 5564 7700

WAURN PONDS
33 Princes Highway
Waurn Ponds 3216
Phone: (03) 5240 6200

WONTHAGGI
37 McKenzie Street
Wonthaggi 3995
Phone: (03) 5672 1490

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

WESTERN AUSTRALIA (PERTH SUBURBAN)

ARMADALE
10 Prospect Road
Armadale 6112
Phone: (08) 9498 4400

BELMONT
Shop 80 Belmont Forum
Abernethy Rd Belmont 6104
Phone: (08) 9479 4377

CANNINGTON
1363 Albany Highway
Cannington 6107
Phone: (08) 9311 1100

CITY WEST
25 Sutherland Street
West Perth 6005
Phone: (08) 9215 8600

EDGEWATER
Cnr Joondalup Drive &
Eddystone Ave
Joondalup 6210
Phone: (08) 9301 4833

GUTHRIE STREET
(OSBORNE PARK)
52 Guthrie Street
Osborne Park 6017
Phone: (08) 9445 5000

JOONDALUP
36 Clarke Crescent
Joondalup 6027
Phone: (08) 9301 3311

MALAGA
27 Kent Way
Malaga 6090
Phone: (08) 9270 6300

MANDURAH
9 Gordon Road
Cnr Mandurah Terrace
Mandurah 6210
Phone: (08) 9582 5800

MIDLAND
Cnr Clayton and Lloyd Sts
Midland 6056
Phone: (08) 9374 8600

O'CONNOR
133 Garling Street (Cnr Stock
Road)
O'Connor 6163
Phone: (08) 9337 0888

OSBORNE PARK
469 - 475 Scarborough Beach
Road
Osborne Park 6017
Phone: (08) 9441 1100

PORT KENNEDY
400 - 402 Saltaire Way
Port Kennedy 6168
Phone: (08) 9524 0111

WESTERN AUSTRALIA (COUNTRY)

ALBANY
136 Lockyer Avenue
Albany 6330
Phone: (08) 9841 1628

BUNBURY
Cnr Sandridge and
Denning Road
East Bunbury 6230
Phone: (08) 9721 4811

BUSSELTON
24 - 26 Bussell Highway
Busselton 6280
Phone: (08) 9781 0700

GERALDTON (Furniture &
Bedding)
38 Chapman Road
Geraldton 6530
Phone: (08) 9964 0111

GERALDTON (Computers)
16 Anzac Terrace
Geraldton 6530
Phone: (08) 9964 0111

KALGOORLIE
Southland Shopping Centre
Oswald Street
Kalgoorlie 6430
Phone: (08) 9021 1400

KARRATHA
Unit 5, Lot 3818
Balmoral Road
Karratha 6174
Phone: (08) 9144 1589

PORT HEDLAND
Boulevarde Shopping Centre
Anderson Street
Port Hedland 6721
Phone: (08) 9173 8000

DOMAYNE

ALEXANDRIA
84 O'Riordan Street
Alexandria 2015
Phone: (02) 8339 7000

AUBURN
103 - 123 Parramatta Road
Auburn 2144
Phone: (02) 9648 5411

BELROSE
GO1 4 - 6 Niangala Close
Belrose 2085
Phone: (02) 9479 8800

BUNDALL
29 - 45 Ashmore Road
Bundall 4217
Phone: (07) 5553 2100

CARINGBAH
212 Taren Point Road
Caringbah 2229
Phone: (02) 8536 5200

CASTLE HILL
16 Victoria Avenue
Castle Hill 2155
Phone: (02) 9846 8800

FORTITUDE VALLEY
Brisbane City Gate
Shop 1, 1058 Ann Street
Fortitude Valley 4006
Phone: (07) 3620 6600

FYSHWICK
80 Collie Street
Fyshwick 2604
Phone: (02) 6126 2500

GOSFORD
400 Manns Road
West Gosford 2250
Phone: (02) 4322 5555

KOTARA
18 Bradford Place
Kotara 2289
Phone: (02) 4941 3900

LIVERPOOL
Liverpool Mega Centre
2/18 Orange Grove Road
Liverpool 2170
Phone: (02) 8778 2222

MAROOCHYDORE
Unit 14
11-55 Maroochy Boulevard
Maroochydore 4558
Phone: (07) 5425 1400

MELBOURNE QV
Cnr Swanston & Lonsdale
Streets Level 4
9-13 Upper Terrace QV
Melbourne 3000
Phone: (03) 8664 4300

NORTH RYDE
31 - 35 Epping Road
North Ryde 2113
Phone: (02) 9888 8888

PENRITH
1st Floor
Cnr Wolseley Street and
Mulgoa Road
Penrith 2750
Phone: (02) 4737 5000

SPRINGVALE
10/971 Princes Highway
Springvale 3171
Phone: (03) 9565 8200

WARRAWONG
119 - 121 King Street
Warrawong 2502
Phone: (02) 4255 1800

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

JOYCE MAYNE

ALBURY
Unit 6
94 Borella Road
Albury 2640
Phone: (02) 6043 0800

BUNDABERG
7-9 / 1 - 9 Enterprise Street
Bundaberg 4670
Phone: (07) 4151 6500

CHANCELLOR PARK
Showroom 2
Chancellor Park Blvd
Sippy Downs 4556
Phone: (07) 5477 2200

MACKAY
2 - 8 Trade Crt
Mt Pleasant
Aspley 4109
Phone: (07) 4942 9744

MAITLAND
Unit 6
366 New England Highway
Rutherford 2320
Phone: (02) 4932 2300

MAROOCHYDOORE
64 - 70 Aerodrome Road
Maroochydoore 4558
Phone: (07) 5409 0200

NOWRA
Cnr Central Ave &
Princes Highway
Nowra 2541
Phone: (02) 4448 0000

ROCKHAMPTON
407 Yaamba Road
North Rockhampton 4701
Phone: (07) 4926 224

TOOWOOMBA
675 Rithven Street
Toowoomba 4350
Phone: (07) 4632 9444

TOWNSVILLE
238 - 262 Woolcock St
Garbuck 4814
Phone: (07) 4729 5400

WARRAWONG
113 King Street
Warrawong 2502
Phone: (02) 4276 0000

NEW ZEALAND

ASHBURTON
Cnr West & Moore Streets
Ashburton
Phone: 0011 643 307 5000

BLENHEIM
19 - 21 Maxwell Road
Blenheim
Phone: 0011 643 520 9700

BOTANY
Unit F, 451 Ti Rakau Drive
Botany
Phone: 0011 649 253 9200

BOTANY DOWNS
500 Ti Rakau Drive
Botany Downs
Phone: 0011 649 272 5700

CHRISTCHURCH
Cnr Moorhouse Ave
& Colombo Street
Christchurch
Phone: 0011 643 353 2440

DUNEDIN
Cnr MacLaggan
& Rattay Streets
Dunedin
Phone: 0011 643 471 6510

GISBORNE
51 Customshouse Street
Gisborne
North Island 4011
Phone: 0011 646 869 2900

HAMILTON
10 - 16 The Boulevard
Te Rapa
Hamilton
Phone: 0011 647 850 7300

HASTINGS
303 St Aubyns Street East
Hastings
Phone: 0011 646 873 7150

HENDERSON
10 - 12 Ratanui Street
Henderson
Phone: 0011 649 835 5000

HORNBY
10-14 Chappie Place
Hornby Christchurch South
Island
Phone: 0011 643 344 8100

INVERCARGILL
245 Tay
Invercargill
Phone: 0011 643 219 9100

LINCOLN CENTRE
111 Lincoln Road
Henderson
Phone: 0011 649 621 1590

LOWER HUT
28 Rutherford Street
Lower Hutt
Phone: 0011 644 894 8200

MANUKAU
Manukau SupaCenta
Ronwood Avenue Manukau
City Auckland
Phone: 0011 649 262 7050

MT MAUNGANUI
2 - 10 Owens Plae
Mt Maunganui
Phone: 0011 647 572 7200

MT ROSKILL
167-169 Stoddard Road
Mt Roskill
Phone: 0011 649 261 1500

MT WELLINGTON
20 - 54 Mt Wellington Hwy
Mt Wellington Auckland
Phone: 0011 649 570 3440

NELSON
69 Vincent Street
Nelson
Phone: 0011 643 539 5000

NEW PLYMOUTH
Cnr Smart & Devon Roads
New Plymouth
Phone: 0011 646 759 2900

NORTHWOOD
Unit 1 Radcliffe Road
Northwood
Christchurch
Phone: 0011 646 375 98002

PALMERSTON NORTH
361 - 371 Main Steet West
Palmerston North
Phone: 0011 646 350 0400

PARAPARAUMU
Coastlands S/Centre
State Highway 1
Paraparaumu
Phone: 0011 644 296 3100

PORIRUA
19 Parumoana Street
Porirua
Wellington
Phone: 0011 644 237 2600

PUKEKOHE
Pukekohe Mega Centre
182-196 Manukau Road
Pukekohe
Phone: 0011 649 237 3500

RANGITIKEI
Unit C
210-248 Rangitikei Street
Palmerston North
Phone: 0011 646 935 3500

ROTORUA
35 Victoria Street
Rotorua
Phone: 0011 647 343 9800

TAURANGA
Cnr Fourteenth Ave & Cameron
Road
Tauranga North Islanad
Phone: 0011 647 557 9500

TIMARU
226 Evans Street
Timaru
Phone: 0011 643 687 7000

TOWER JUNCTION
Clarence Building
66 Clarence Street
Tower Junction
Christchurch
Phone: 0011 643 968 3600

WAIRAU PARK
10 Croftfield Lane
Wairau Park North
Glenfield
Phone: 0011 649 441 9750

WANGANUI
287 Victoria Street
Wangtanui
Phone: 0011 646 349 6000

WELLINGTON
77 - 87 Tory Street
Wellington
Phone: 0011 644 381 4250

WHANGAREI
5 Gumdigger Place
Whangarei
Phone: 0011 649 470 0300

WHAKATANE
The Hub
State Highway 30
Whakatane
Phone: 0011 649 306 0600

Directory of Harvey Norman, Domayne & Joyce Mayne Shopping Complexes

IRELAND

BLANCHARDSTOWN
Unit 421 Blanchardstown
Retail Park Blanchardstown
Dublin 15
Phone: 0011 353 1 824 7400

CARRICKMINES
Unit 230 The Park
Carrickmines Dublin 18
Phone: 0011 353 1 824 7400

CASTLEBAR
Unit D,E & F
Castlebar Retail Park
Breaffy Road Castlebar
Phone: 0011 353 94 906 3900

CORK
Kinsale Road Ballycurreeh
Cork, Dublin
Phone: 0011 353 21 425 0900

DRUGHEDA
Units 8 - 11
Drogheda Retail Park
Donore Road Drogheda
Phone: 0011 353 4 1987 8200

LIMERICK
Units 5, 6 & 7
City East Retail Park
Ballysimon Road
Limerick Dublin
Phone: 0011 353 61 422 800

LITTLE ISLAND
Units 9 - 11
Eastgate Retail Park
Little Island Cork
Phone: 0011 353 21 500 1500

NAAS
Unit GHIJK
New Holl Retail Park
Naas Ireland
Phone: 0011 353 04 590 7700

RATHFARNHAM
Nutgrove Retail Park
Nutgrove Avenue
Rathfarnham Dublin 18
Phone: 0011 353 1 291 0100

SWORDS
Units 5, 6 & 7
Airside Retail Park
Swords Road
Swords, Co Dublin
Phone: 0011 353 1 890 9900

TRALEE
Unit 8A
Manor West Retail Park
Tralee, Co Kerry
Phone: 0011 353 66 716 4900

WATERFORD
Units 5 - 8
Butlerstown Retail Park
Butlerstown Roundabout
Outer Ring Road
Co Waterford
Phone: 0011 353 5131 9900

NORTHERN IRELAND

HOLYWOOD
Units A-D Holywood Exchange
Airport Road Belfast
Phone: 0011 44 28903 5800

NEWTOWNABBEY
Units 1&2
Valley Retail Park
Church Road Newtownabbey
Phone: 0011 44 28903 60800

SLOVENIA

CELJE
Kidričeva ulica 26A
3000 Celje
Phone: 0011 386 3425 0050

KOPER
Ankaranska c3C
Koper
Phone: 0011 386 5610 0102

LJUBLJANA
Letališka 3D
1000 Ljubljana
Phone: 0011 386 1585 5000

MARIBOR
Bohora La
He wants 2311
Phone: 0011 386 2300 4850

NOVO MESTO
Ljubljanska Cesta 95
8000 Novo Mesto
Phone: 0011 386 7309 9920

CROATIA

ZAGREB
Rudera 34/2
10000 Zagreb
Phone: 0011 385 1556 6200

DIRECTORY OF HARVEY NORMAN, DOMAYNE & JOYCE MAYNE SHOPPING COMPLEXES

SINGAPORE

HARVEY NORMAN BEDOK POINT
799 New Upper Changi Road
#B1-01 Bedok Point
Singapore 467351
Phone: 0011 65 6446 7218

HARVEY NORMAN BUKIT PANJANG
1 Jelebu Road
Singapore
Phone: 0011 65 6767 1500

HARVEY NORMAN CENTREPOINT
176 Orchard Road
#03-08 Centrepoint
Singapore 238843
Phone: 0011 65 6732 8686

HARVEY NORMAN DJITSUN MALL
5 Ang Mo Kio Central 2
#02-01/02
Singapore 569663
Phone: 0011 65 6554 5630

HARVEY NORMAN FUNAN CENTRE
109 North Bridge Road
#02-02/08 Funan Centre
Singapore 170097
Phone: 0011 65 6334 5432

HARVEY NORMAN HOUGANG MALL
90 Hougang Avenue 10
#02-13 NTUC Hougang Mall
Singapore 538766
Phone: 0011 65 6488 2305

HARVEY NORMAN JURONG POINT
1 Jurong West Central 2
#03-37 Jurong Point
Shopping Centre
Singapore 648886
Phone: 0011 65 6795 2135

HARVEY NORMAN MILLENIA WALK
No. 9 Raffles Boulevard
#02-27 Millenia Walk
Singapore 039596
Phone: 0011 65 6311 9988

HARVEY NORMAN NORTHPOINT
930 Yishun Avenue 2
#B02-05/09 Northpoint
Shopping Centre
Singapore 769098
Phone: 0011 65 6757 7695

HARVEY NORMAN PARKWAY
80 Marine Parade Road
#02-34/36 Parkway Parade
Singapore 449269
Phone: 0011 65 6346 4705

HARVEY NORMAN RAFFLES CITY
252 North Bridge Road
#03-22 Raffles City
Shopping Centre
Singapore 179103
Phone: 0011 65 6339 6777

HARVEY NORMAN SQUARE TWO
Square 2, B1 – 06t o 75
10 Sinaran Drive
Singapore
Phone: 0011 65 6397 6190

HARVEY NORMAN TAMPINES MART
No. 9 Tampines Mart
#02-01 Tampines Street 32
Singapore 529286
Phone: 0011 65 6789 3818

HARVEY NORMAN WESTMALL
No. 1 Bt Batok Central Link
#03-06/09 West Mall
Singapore 658713
Phone: 0011 65 6794 2812

MALAYSIA

HARVEY NORMAN AMPANG POINT
Lot S01, 2nd Floor
Jalan Mamanda 3,
68000 Ampang, Selangor
Malaysia
Phone: 0011 963 4260 1020

HARVEY NORMAN BUKIT TINGGI
Lot F 42 1st Floor
AEON Bukit Tinggi S/Centre
No. 1 Persiaran Batu Nilam 1/KS6
Bandar Bukit Tinggi 2
41200 Klang, Selangor D.E.
Malaysia
Phone: 0011 963 3326 2630

HARVEY NORMAN CITTA MALL
No 1 Jalan PJU 1A/48
PJU 1A, Ara Damansara
47301 Petalang Jaya
Phone: 0011 963 7846 1025

HARVEY NORMAN GURNEY PARAGON
Lot 163D-4-02
Persiaran Gurney
10250 Penang, Malaysia
Phone: 0011 963 4229 8886

HARVEY NORMAN IKANO POWER CENTRE
Unit F3 1st Floor Ikano Ctr
No 2 Jalan PJU 7/2
Mutiara Damansara
47800 Petailing Jaya
Salangor Darul Ehsan
Kuala Lumpur
Phone: 0011 963 7718 5200

HARVEY NORMAN MID VALLEY
Lot AT-1 Lower Ground Floor
Mid Valley Megamall
Mid Valley City
Lingkaran Syed Putra
59100 Kuala Lumpur
Phone: 0011 963 2282 2860

HARVEY NORMAN MONT KIARA
L2-07 & L2-08
No 1 Jalan Kiara
Mont Kiara
50480 Kuala Lumpur
Phone: 0011 963 6203 6380

HARVEY NORMAN NU SENTRAL
Unit L3.01, Nu Sentral Mall, KL Sentral
No. 201, Jalan Tun Sambathan
5470 Kuala Lumpur
Phone: 0011 963 2260 7866

HARVEY NORMAN PAVILION
Lot 5.24.04 Level 5
Pavilion Kuala Lumpur
No. 168 Jalan Bukit Bintang
55100 Kuala Lumpur
Phone: 0011 963 2142 3735

HARVEY NORMAN PARADIGM MALL
Lot 1F-01 & 02, 1st Floor No.1
Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Phone: 0011 963 7887 3589

HARVEY NORMAN QUEENSBAY
Lot 2F-86 South Zone
Queensbay Mall
No 100 Persiaran Bayan Indah
11900 Bayan Lepas
Penang Malaysia
Phone: 0011 964 630 8210

HARVEY NORMAN SETIA CITY MALL
L1-MM03 No. 7
Persiaran Setia Dagang
Bandar Setia Alam.
Seksyen U13, 40170 Shah Alam,
Selangor Darul Ehsan
Malaysia
Phone: 0011 963 3345 6085

HARVEY NORMAN SUNWAY PYRAMID
LG2.140 Lower Ground Two
Sunway Pyramid S/Centre
No. 3 Jalan PJS 11/15
Bandar Darul Ehsan Malaysia
Phone: 0011 963 5622 1300