2015 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 194 Harvey Norman, Domayne and Joyce Mayne franchised stores in Australia and 86 company-operated stores across 7 overseas countries.

KEY DATES:

28 August 2015	Announcement of Full Year Profit to 30 June 2015 Announcement of Final 2015 Dividend
2 November 2015	Record date for Determining Entitlement to Final 2015 Dividend
24 November 2015	Annual General Meeting of Shareholders The Annual General Meeting of the Shareholders of Harvey Norman Holdings Limited will be held at Tattersalls Club 181 Elizabeth Street, Sydney, at 11:00am
1 December 2015	Payment of Final 2015 Dividend
26 February 2016	Announcement of Half-Year Profit to 31 December 2015 Announcement of Interim 2016 Dividend
8 April 2016	Record date for Determining Entitlement to Interim 2016 Dividend
2 May 2016	Payment of Interim 2016 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

FRANCHISEE HEADLINE SALES REVENUE

$4.95bn

up 3.7% on prior year

REPORTED PROFIT BEFORE TAX

$378.10m

up 25.6% on prior year

REPORTED PROFIT AFTER TAX & NON-CONTROLLING INTERESTS

$268.10m

up 26.6% on prior year

PROFIT AFTER TAX & NON-CONTROLLING INTERESTS (excluding net property revaluation adjustments)

$261.84m

up 19.0% on prior year

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HARVEY NORMAN - SOLUTIONS FOR EVERY ROOM IN THE HOME

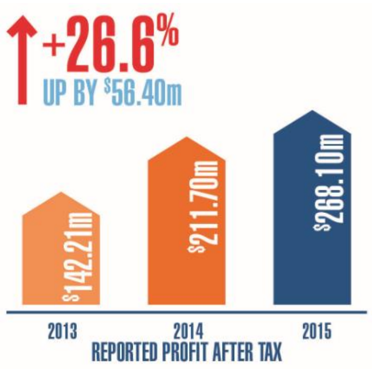
Truly the one-stop destination, Harvey Norman offers a range of solutions for every room - superb quality and style in the living room, comfort and support you need in the bedroom, the latest innovative technology for entertainment and food preparation, and everything you need to set up the perfect home office.

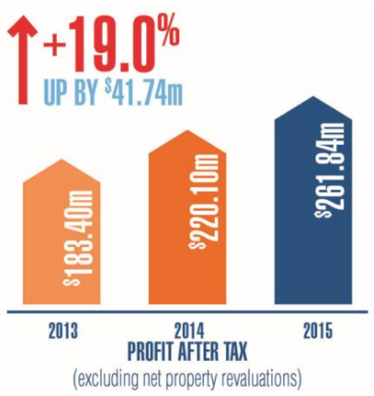
Financial Highlights

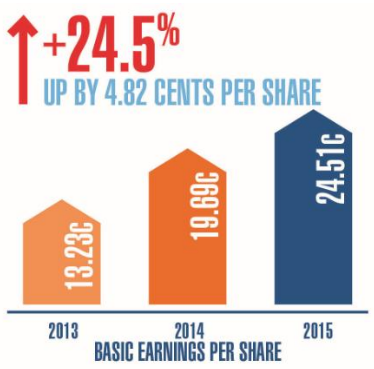
Financial Highlights	FY2013 Jun-13	FY2014 Jun-14	FY2015 Jun-15
No. of franchised complexes in Australia[1]	206	198	194
No. of franchisees in Australia[1]	696	677	678
No. of company-operated stores[2]	77	82	86
Franchisee headline sales revenue[1]	$4.72bn	$4.77bn	$4.95bn
Company-operated sales revenue[2]	$1,323.48m	$1,513.66m	$1,617.15m
Other revenues and other income items	$1,035.55m	$1,033.62m	$1,101.29m
Earnings before interest, tax, depreciation, impairment and amortisation (EBITDIA)	$323.32m	$415.35m	$488.69m
Earnings before interest and tax (EBIT)	$233.72m	$337.50m	$410.97m
Net property revaluation increment/(decrement)	($59.12m)	($11.65m)	$8.73m
Reported profit before tax	$187.95m	$301.06m	$378.10m
Profit before tax excluding net property revaluation adjustments	$247.06m	$312.71m	$369.37m
Profit after tax and non-controlling interests	$142.21m	$211.70m	$268.10m
Net cash flows from operating activities	$239.22m	$338.94m	$340.45m
Basic earnings per share	13.23c	19.69c	24.51c
Dividends per share (fully-franked)	9.0c	14.0c	20.0c
Special dividend per share (fully-franked)	-	-	14.0c
Net debt to equity ratio (%)	27.69%	22.40%	19.88%

[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.







Dear Shareholder

Our integrated retail, franchise, property and digital platform delivered another strong full-year financial result for the 2015 financial year.

2015 has been a year of contrasts. Continuing strength in the Australian housing market, both in terms of new stock and robust secondary market clearance, has partially compensated for subdued consumer confidence. Increased market share in a number of categories has provided a counterbalance to sluggish overall demand. Competition in some categories has been somewhat offset by the realisation of efficiencies in the newly introduced merchandise, inventory and supplier management system, and through workforce productivity improvements.

As we look to the future, it is pleasing that 2015 saw Harvey Norman further entrench its position as Australia's leading Homemaker destination of choice.

Overview of Results

Net profit before tax **increased 25.6% to $378.10 million,** from $301.06 million in the prior year. Excluding net property revaluation adjustments, the result was **18.1% higher at $369.37 million,** from $312.71 million in the prior year.

Net profit after tax and non-controlling interests ("NPAT") **increased 26.6% to $268.10 million,** from $211.70 million in the prior year. NPAT excluding the effects of property revaluation **increased 19.0% to $261.84 million**, from $220.10 million in the prior year.

The effective income tax rate for the year ended 30 June 2015 was 28.88% compared to an effective income tax rate of 29.50% in the prior year.

All three key operating segments contributed to the strong result.

The franchising operations segment increased 39.4% to $200.36 million from $143.72 million in the prior year. This was due primarily to a decrease of 21.2%, or $21.84 million, in the level of tactical support provided to franchisees to $81.35 million in 2015, from $103.19 million in the prior year. The fourth quarter of the 2015 financial year marked the 10th consecutive quarter-on-quarter increase in Australian franchisee sales on a like-for-like basis since 2H2013. Headline Australian franchisee sales increased by 3.7% to $4.95 billion.

The property segment increased 9.3% to $135.19 million, from $123.67 million in the prior year. A $20.38 million turnaround in the net property revaluation to an increase of $8.73 million in the 2015 financial year, from a revaluation decrease of $11.65 million in the prior year underpinned the improved result, while rental increases were also a factor.

The company-operated retail segment increased 42.9% to $41.03 million, from $28.72 million in the prior year. Improved operational performances in a number of international markets, primarily New Zealand, Ireland and Northern Ireland drove this result. Improved profitability in New Zealand was aided by the opening of a new store at Napier, and favourable economic conditions boosting business and consumer confidence. In Ireland and Northern Ireland, the consumer market continues to rebound, and the Harvey Norman brand is experiencing increased market share across most categories in a recovering market.

Net cash flows from operating activities increased 0.45% to $340.45 million in the 2015 financial year, from $338.94 million in the prior year.

The overall debt level of the consolidated entity remains commendably low, resulting in an improvement in the net debt to equity ratio from 22.40% in the prior year **to 19.88% at 30 June 2015**.

Evolution of the Omni Channel Strategy

Continuing and rapid change in technology and how it affects the way customers interact with Harvey Norman franchisees, increases the commitment of every Harvey Norman franchisee and their employees to the Omni Channel Strategy. An unwavering commitment to the customer's experience and prudent cost management ensures that investments in new technology and enhancements to the Omni Channel Strategy are both financially responsible and customer focussed.

We continue to embrace varying forms of customer interaction with Harvey Norman franchisees; whether in-store, online, via chat or through social media. The fundamental focus is on delivering a consistently excellent cross-platform experience that conforms to the way in which the customer wishes to shop. The distinctions that would have been made between different channels just a couple of years ago are now increasingly irrelevant as Harvey Norman franchisees deliver an integrated suite of tools to meet the customer's wishes whenever and wherever they are required.

The decision to operate a geographically dispersed distribution and fulfilment system continues to be validated by industry trends. The Harvey Norman network of complexes, coupled with ever more sophisticated inventory and order management systems, is enabling our franchisees to economically and promptly respond to their customers with the products they want, where and when they want them, independent of how they choose to make their product selection and purchase decisions.

Property: A Solid Foundation

At 30 June 2015, the value of the consolidated entity's company-owned property portfolio was $2.32 billion, **an increase of $28.39 million** from the prior year. This portfolio is the foundation upon which the Harvey Norman integrated model is built and provides the basis of our success.

Among the advantages of direct property ownership is the ability to attract additional customers to Harvey Norman complexes through a mutually beneficial mix of tenants. In the past 12 months there has been significant additional diversification in the mix of tenants in Harvey Norman complexes with the addition of medical centres, national chain pharmacies, day care centres and providers of indoor recreation. These tenants possess a number of highly desirable characteristics: they provide additional non-traditional reasons for customers to visit our complexes; tend not to cannibalise the business of existing tenants; typically have proven retail expertise; and offer both security of rent and tenancy. This trend will continue to benefit both Harvey Norman and our franchisees in the future.

Improving Efficiency

Last year in this report we discussed two initiatives earmarked for implementation by franchisees in the 2015 financial year. These were: a merchandise, inventory and supplier management system; and, a workforce productivity improvement program.

Merchandise, inventory and supplier management:
Deployment of the various modules of the system by franchisees is progressing on time and within budget. The implementation of enhanced real-time analytics to provide franchisees with data to assist in the management of suppliers, orders and inventory, will be completed in November 2015.

A deliberate and judicious approach to this implementation has been adopted by franchisees to ensure no disruption of the customers' shopping experience, and the system has only been rolled-out in those franchise categories where it makes financial and logistic sense. In those franchise categories and geographies where the system has been implemented, the feedback to date – from both franchisees and suppliers – has been positive:

- Over 80% of orders with high-volume suppliers are now processed digitally. Accuracy has increased with a consequent improvement in customer service and order delivery management; and
- Simplified access to a wide range of franchise inventory and order information, coupled with real-time inventory forecasting tools, has seen improvements in a number of metrics in those franchise categories where the system has been deployed.

Over the next 12 months the franchisee's focus will be on expanding the categories and suppliers using the system. The emphasis to date has been on realising the efficiencies of these systems by franchisees. The emphasis in the coming year will be applying the system's capabilities to further improving the shopping experience. Benefits for Harvey Norman customers will include greater control over delivery times; improved order status monitoring; and, access to tools that will provide increased access to product information, stock availability, stock reservations, and Harvey Norman franchisee's great salespeople – whether in store, online or via LiveChat.

Workforce productivity improvements:
The workforce management platform (SAM) seeks to ensure the right number and type of franchisee staff are available to serve customers at the right times. New applications will provide franchisees with the forecasting and rostering tools necessary to achieve this aim while optimising payroll expense.

To date, good progress has been made with 120 franchised complexes live; ahead of the 36 franchised complexes originally scheduled to be live by 30 June 2015. By the end of October 2015 the rollout to all remaining franchised complexes in Australia will be complete.

Complementing SAM, a traffic counting solution was deployed in 68 of the larger complexes. This rollout was completed in April 2015 and the resulting data now provides franchisees with accurate historic and forecast customer traffic flow information to assist in rostering.

Franchisee feedback in locations where the system has been deployed is very positive:

- 97% of franchisees rated SAM as meeting or exceeding their expectations;
- 75% state that the system will help them manage their wage costs more effectively; and
- 51% state that they have made, or plan to make, changes to their employee mix (Full-time/Part-time/Casual/Contract-hours) based on the data that is now available.

In the year ahead, in addition to completing the geographic rollout, a number of enhancements will be implemented to further increase the system's utility by franchisees. These include a mobile app that will provide the franchisees' staff with a range of self-service functions including the updating of personal details, viewing rosters, and requesting leave. Enhanced workforce management analytics will be available to franchisees by November 2015 providing dependable insight to their staff sales productivity, rostering efficiency, and sales performance metrics.

The final phase of the project – Forecasting and Optimised Rostering – is on track to be completed in May 2016. Simultaneously, and based on the positive response from Harvey Norman franchisees in Australia, the deployment will be extended to all company-operated stores in New Zealand.

Outlook

Investment in the realisation of further operational efficiencies, and ongoing enhancement of systems in accordance with the Omni Channel Strategy will see margins improve and enable additional market share gains.

Continuing strength in the Australian housing market, particularly in new home construction and strong secondary market transaction levels, will support Harvey Norman's medium-term performance. This is evident in the 1 July 2015 to 27 August 2015 franchisee sales turnover, where **headline sales increased 5.5% and like-for-like sales increased 6.6% on the corresponding prior year period**.

We recognise, and are grateful for, the professionalism, entrepreneurship and customer focus of our 678 franchisees, who have made this solid result possible.

We would also like to thank you, our shareholders, for your confidence in Harvey Norman over the past 12 months.

G. HARVEY
Executive Chairman
Sydney
30 September 2015

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2015

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:
- The Retail Council
- 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 a non-executive director of API Limited, a company listed on the ASX, appointed in May 2014. Mr. Gunderson-Briggs is the Chairman of Glenaeon Rudolph Steiner School Limited.

Chris Mentis B.Bus., FCA, FGIA, 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 Fellow of the Institute of Chartered Accountants and a Fellow of the Governance Institute of Australia, with over 28 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.

Company Secretary

Mr. C. Mentis is a chartered accountant and became Company Secretary on 20 April 2006. Mr. Mentis has over 28 years experience in financial accounting and has been with the consolidated entity since 1997. Mr. Mentis is a Fellow of the Governance Institute of Australia.

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

Risk Committee:
- J.E. Slack-Smith (Chairman)
- K.L. Page
- C. Mentis
- D.M. Ackery

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	5
Remuneration	5
Nomination	1
Risk	3

Attendance at Remuneration Committee Meetings:
- C.H. Brown (Chairman): 5 (5)
- K.W. Gunderson-Briggs: 5 (5)
- G.C. Paton AM: 3 (5)

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.

Attendance at Risk Committee Meetings:
- J.E. Slack-Smith (Chairman): 3 (3)
- K.L. Page: 3 (3)
- C. Mentis: 3 (3)
- D.M. Ackery: 3 (3)

Directors' Meetings (continued)

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	9 (9)	n/a
D.M. Ackery	8 (9)	n/a
M.J. Harvey	9 (9)	n/a
C.H. Brown	8 (9)	4 (5)
K.W. Gunderson-Briggs	9 (9)	5 (5)
G.C. Paton	7 (9)	5 (5)
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 2015.

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

On 2 September 2015, the Company announced that, through a wholly-owned subsidiary, it has acquired a significant stake of a 49.9% interest in Coomboona Holdings Pty Limited ("Coomboona") for approximately $34 million.

The transaction terms included:
- acquiring a 49.9% shareholding in Coomboona for approximately $25 million; and
- agreeing to make an advance of approximately $9 million to Coomboona.

Coomboona, through wholly-owned subsidiaries, owns land and farm assets in the Coomboona district of the Goulburn Valley region in Northern Victoria. The business of Coomboona includes dairy farm operations and a pedigree breeding and genetics division.

Apart from the above, 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' 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	331,889,449	-
K.L. Page	17,917,642	-
M.J. Harvey	2,974,897	-
C.H. Brown	183,323,726	-
J.E. Slack-Smith	271,818	1,195,000
D.M. Ackery	203,334	817,000
K. W. Gunderson- Briggs	3,137	-
G.C. Paton	15,682	-
C. Mentis	98,341	817,000
TOTAL	536,698,026	2,829,000

Dividends

The directors recommend a fully franked final dividend of 11.0 cents per share to be paid on 1 December 2015 (total dividend, fully franked - $122,166,430). The following fully franked dividends of the Parent Company have also been paid, declared or recommended since the end of the preceding financial year:

Dividend	Payment Date	$
2014 final fully franked dividend	1 December 2014	84,985,343
Special dividend, Renounceable Rights Offer	30 December 2014	148,724,350
2015 interim fully franked dividend	4 May 2015	99,954,352

The total dividend in respect of the year ended 30 June 2015 of 20.0 cents per share represents 82.85% (2014: 70.25%) of profit after tax and non-controlling interests, as set out on page 60 of the financial statements. Including the special dividend paid on 30 December 2014 of 14.0 cents per share, the total dividends paid in respect of the 2015 financial year represents 138.33% of profit after tax.

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 2,829,000 unissued ordinary shares under options (30 June 2014: 3,585,000).

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 6,473,963 shares held by G Harvey Nominees Pty Limited (as trustee for Harvey 1995 No. 2 Trust), 141,007,580 shares held by G Harvey Nominees (as trustee for Harvey Lamino No. 1 Trust), 333,333 shares held by AET Structured Finance Services Pty Limited (previously HVN Share Plan Pty Limited), 4,160,420 shares held by Gerald Harvey (as trustee for Harvey 2003 Option Trust), 85,881,109 shares held by Gerald Harvey (as trustee for Harvey Option Trust) and 3,695,576 shares held by Evitorn Pty Limited (as trustee for Harvey 2014 Share Trust).
K.L. Page	has a beneficial interest in 8,635,277 shares held by K. Page Pty Limited, 332,880 shares held by K. Page Superannuation Fund Pty Limited and 333,333 shares held by AET Structured Finance Services Pty Limited (previously HVN Share Plan Pty Limited).
J.E. Slack-Smith	has a beneficial interest in 59,999 shares held by AET Structured Finance Services Pty Limited (previously HVN Share Plan Pty Limited) and 211,819 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 AET Structured Finance Services Pty Limited (previously HVN Share Plan Pty Limited) and 20,000 shares held by D.M. Ackery as Trustee for Ackery 2005 Option Trust (Shares).
C. Mentis	has a beneficial interest in 79,000 shares held by Prey Mantis Pty Limited (interest held by Prey Mantis Pty Limited as trustee for The Mentis Family Superannuation Fund).
M.J. Harvey	has a beneficial interest in 709,587 shares held by M.J. Harvey Option Trust.
C.H. Brown	has a beneficial interest in 43,662 shares held by PWSD Pty Limited, 64,509 shares held by Starmoro Pty Limited and 183,215,555 shares held by Dimbulu Pty Limited.
K.W. Gunderson-Briggs	has a beneficial interest in 3,137 shares held by Nosrednug Superannuation Fund Pty Limited.
G.C. Paton	has a beneficial interest in 15,682 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 2015 financial year. It also provides a summary of business risks and a trading outlook for the 2016 financial year.

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

Profit Before Income Tax

Net profit before income tax **increased 25.6%, or $77.04 million, to $378.10 million** for the 2015 financial year, from $301.06 million in the prior year. If the effects of the net property revaluation adjustments were excluded from the result, the net profit before tax for the 2015 financial year would have **increased 18.1%, or $56.66 million to $369.37 million,** from $312.71 million in the prior year.

Net profit before tax was impacted by the following:

- a 39.4%, or $56.64 million, increase in the profitability of the franchising operations segment to $200.36 million. This was primarily due to a 7.2% increase in franchise fees and a 21.2%, or $21.84 million, decrease in tactical support to $81.35 million from $103.19 million in the prior year. Tactical support provided to franchisees has declined approximately 20% in each of the past two years;
- a $20.38 million turnaround in the net property revaluation to an increase of $8.73 million for the 2015 financial year, from a revaluation decrease of $11.65 million in the prior year;
- a 40.2%, or $8.90 million, decrease in the trading losses of the company-operated stores in Ireland and Northern Ireland. This was attributable to continuing efforts to optimise the operations, increase brand awareness, and – more broadly – improving consumer sentiment in the region;
- a 3.2%, or $9.26 million, increase in the rent received from franchisees and third party tenants;
- a 6.7%, or $3.36 million, increase in the profitability of the company-operated stores in New Zealand. This was attributable to improvements in the operations of the business, and increased consumer consumption as a result of increased consumer confidence driven by falling petrol prices, stable interest rates and a robust residential property market;
- a $13.34 million decrease in the contribution of the mining camp accommodation joint ventures to an equity-accounted loss of $3.63 million in the current year, from a $9.71 million profit in the prior year; and,
- a $3.01 million decline in the result of the company-operated stores in Asia largely due to an erosion of gross margins in a competitive market.

Net Profit After Tax and Non-Controlling Interests:

Net profit after tax and non-controlling interests **increased 26.6%, or $56.40 million, to $268.10 million** for the 2015 financial year, from $211.70 million in the prior year. If the effects of the net property revaluation adjustments were excluded from the result, the net profit after tax and non-controlling interests for the 2015 financial year would have **increased 19.0%, or $41.74 million, to $261.84 million,** from $220.10 million in the prior year.

The effective income tax rate for the year ended 30 June 2015 was 28.88% compared to an effective income tax rate of 29.50% in the prior year.

Operating and Financial Review (OFR) (continued)

Review and Results of Key Operating Segments

1) The Franchising Operations Segment
The franchising operations segment **increased 39.4%, or $56.64 million, to $200.36 million** in the 2015 financial year from $143.72 million in the prior year. This solid result was primarily due to the strong underlying sales performance of franchisees in Australia, particularly the growth in like-for-like sales.

Franchisee Sales Revenue by Quarter[1]	Q3 Mar-13	Q4 Jun-13	Q1 Sep-13	Q2 Dec-13	Q3 Mar-14	Q4 Jun-14	Q1 Sep-14	Q2 Dec-14	Q3 Mar-15	Q4 Jun-15
Headline Sales ($ bn)	$1.09bn	$1.19bn	$1.15bn	$1.33bn	$1.11bn	$1.18bn	$1.17bn	$1.36bn	$1.17bn	$1.26bn
Increase on PCP (%)	+0.1%	+2.0%	+1.2%	+1.7%	+1.8%	-0.1%	+1.8%	+2.1%	+5.2%	+6.1%
Like-For-Like Sales ($bn)	$1.08bn	$1.17bn	$1.14bn	$1.32bn	$1.11bn	$1.18bn	$1.17bn	$1.35bn	$1.16bn	$1.25bn
Increase on PCP (%)	+1.5%	+2.6%	+2.9%	+3.6%	+3.6%	+2.0%	+2.8%	+2.8%	+5.9%	+6.9%

[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.
[2] PCP refers to previous corresponding period

The fourth quarter of the 2015 financial year marked the 10th consecutive quarter-on-quarter increase in Australian franchisee sales on a like-for-like basis since 2H2013. In each quarter of the 2015 financial year, Harvey Norman Australia franchisees outperformed industry averages in the household retailing sector.

Headline Australian franchisee sales revenue **increased 3.7%, or $176.90 million, to $4.95 billion** for the year ended 30 June 2015 from $4.77 billion in the prior year. Like-for-like franchisee sales revenue **increased 4.5%, or $213.86 million, to $4.92 billion** for the 2015 financial year from $4.71 billion in the prior year.

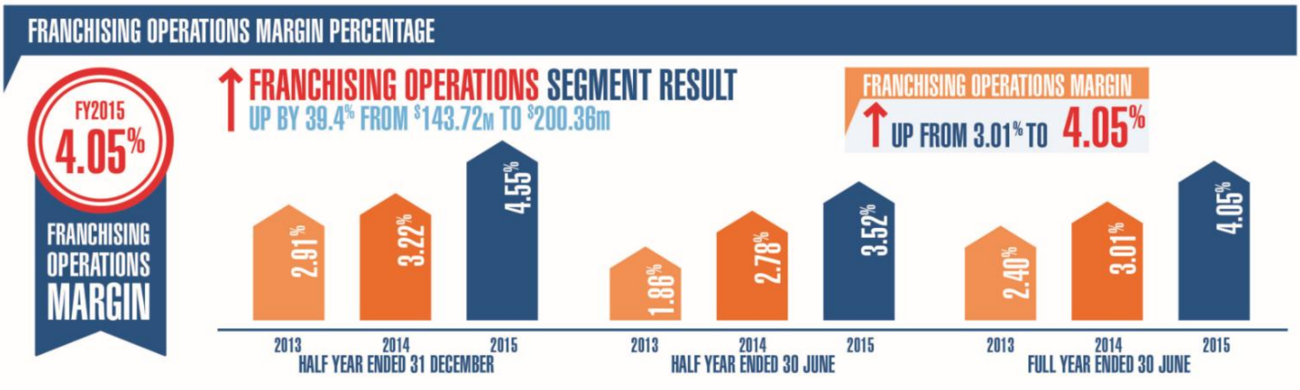
Harvey Norman franchisees remain the Homemaker destination of choice for products including furniture, bedding, whitegoods, small appliances and cooking. Sales growth remains strong in the Homemaker category. The Homemaker category has been bolstered by a resilient residential property market in Australia, particularly in terms of new stock, renovation expenditure, and secondary market clearance. Housing growth is particularly strong in New South Wales (NSW), where more than 35% of Harvey Norman complexes are located, and this trend has underpinned franchisee sales growth in the state.

Harvey Norman is the home of small business. The Federal Government's small business tax initiative, announced in the May 2015 Federal Budget, is advantageous for Harvey Norman franchisees. The small business tax initiative, which is available to qualifying small businesses up to 30 June 2017, had a positive impact on franchisee sales revenue in the last quarter of the 2015 financial year.

The computer category strengthened throughout the year with solid performance from computer hardware, accessories, mobile devices and service related categories.

Connected lifestyle devices, driven by wearable fitness and health products over the last year, continues to expand into other categories and will be a key driver of growth in 2016 and beyond.

Operating and Financial Review (OFR) (continued)



FRANCHISING OPERATIONS SEGMENT ANALYSIS BY HALF-YEAR	Half Year Ended 31 December 6-Months Dec 2012	6-Months Dec 2013	6-Months Dec 2014	Half Year Ended 30 June 6-Months Jun 2013	6-Months Jun 2014	6-Months Jun 2015	Full Year Ended 30 June 12-Months Jun 2013	12-Months Jun 2014	12-Months Jun 2015
No. of franchised complexes in Australia	211	202	**195**	206	198	**194**	206	198	**194**
Franchising operations segment result	$71.01m	$79.86m	**$115.09m**	$42.42m	$63.86m	**$85.28m**	$113.43m	$143.72m	**$200.36m**
Franchisee headline sales revenue	$2.44bn	$2.48bn	**$2.53bn**	$2.28bn	$2.296bn	**$2.42bn**	$4.72bn	$4.77bn	**$4.95bn**
Franchising Operations Margin (%)	2.91%	3.22%	**4.55%**	1.86%	2.78%	**3.52%**	2.40%	3.01%	**4.05%**
Key drivers of the Franchising Operations Margin (%) (Included in the franchising operations segment result for each period):									
(i) Franchising operations segment revenue	$444.38m	$432.85m	**$454.64m**	$381.67m	$381.16m	**$416.17m**	$826.05m	$814.02m	**$870.80m**
% movement on PCP*	-4.7%	-2.6%	**+5.0%**	-2.6%	-0.1%	**+9.2%**	-3.7%	-1.5%	**+7.0%**
(ii) Tactical support provided to franchisees	$63.80m	$51.17m	**$39.70m**	$64.67m	$52.02m	**$41.65m**	$128.46m	$103.19m	**$81.35m**
% movement on PCP*	+40.8%	-19.8%	**-22.4%**	-18.0%	-19.6%	**-19.9%**	+3.4%	-19.7%	**-21.2%**

* previous corresponding period

The growth in franchisee sales revenue, particularly in the last half of the 2015 financial year, driven by the Homemaker category, has decreased tactical support to franchisees during the 2015 financial year **by 21.2%, or $21.84 million, to $81.35 million** from $103.19 million in the prior year. Tactical support provided to franchisees has decreased by approximately 20% in each of the previous two financial years. The strong result of the franchising operations segments has validated the decision to tactically support the Harvey Norman brand during the periods of volatility and aggressive competition over the past few years.

Revenue from the franchising operations segment **increased 7.0%, or $56.78 million, to $870.80 million** in the 2015 financial year from $814.02 million in the prior year. This was driven primarily by a rise in franchise fee income which **increased 7.2%, or $47.44 million, to $709.30 million** from $661.86 million in the prior year. Over half-year reporting periods, franchising operations segment revenue increased by 5.0%, or $21.78 million, in the first half of the 2015 financial year and by 9.2%, or $35.00 million, in the second half.

The reduction in tactical support and increase in franchise fee income underpinned the franchising operations segment **increase of 39.4%, or $56.64 million, to $200.36 million** in the 2015 financial year, from $143.72 million in the prior year. The franchising operations margin **increased to 4.05%** in the 2015 financial year from 3.01% in the prior year.

Operating and Financial Review (OFR) (continued)

2) Property Segment: Retail Property and Property Developments for Resale

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-based rents and outgoings.

The property portfolio remains strong and was **valued at $2.32 billion at 30 June 2015**. This represents over 53% of our total asset base as at the 30 June 2015 balance date. The result before tax generated by the property segments represents 35.8% of consolidated profit before tax for the year ended 30 June 2015.

The property segment result **increased 9.3%, or $11.53 million, to $135.19 million** for the year ended 30 June 2015, from $123.67 million in the prior year. A $20.38 million turnaround in the net property revaluation to an increase of $8.73 million for the 2015 financial year from a net property revaluation decrease of $11.65 million in the prior year underpinned the improved result.

Falling commodity prices and the sharp slowdown in the mining sector over the past year have resulted in a drop in the occupancy rates of our mining residential complexes and the demobilisation of several mining camps pending the possible commencement of new projects which are currently out to tender. This has resulted in a decrease of $13.34 million in the contribution of the mining camp accommodation joint ventures to an equity-accounted loss of $3.63 million in the current year, from a $9.71 million profit in the prior year.

Rising revenue from rents and outgoings in the property segment overall, partially offset the reduction in the profitability of property-related joint ventures.

The tables below show the composition of property segment assets at each balance date and the number of owned and leased sites as at 30 June 2015.

Total Property Segment Assets as at 30 June	2013	2014	2015
Investment properties	$1.854bn	$1.904bn	$1.936bn
Joint venture properties	$16.74m	$27.56m	$21.43m
Owned land & buildings in New Zealand, Singapore, Slovenia & Australia	$311.74m	$350.66m	$358.72m
Properties held for resale	$23.79m	$8.85m	$2.88m
Total Property Segment Assets	**$2.21bn**	**$2.29bn**	**$2.32bn**

Breakdown of Owned and Leased Sites as at 30 June 2015	# of owned sites	# of leased sites	Total
Australia: Franchised complexes	90	104	194
New Zealand	17	19	36
Slovenia	5	-	5
Croatia	-	1	1
Ireland	-	12	12
Northern Ireland	-	2	2
Singapore & Malaysia	-	30	30
Total	112	168	280

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.

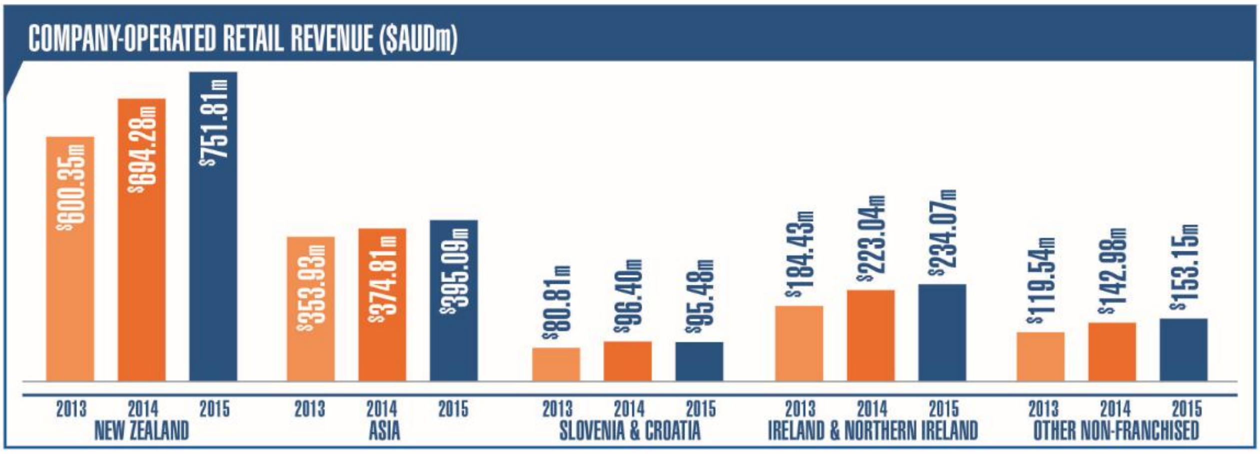
Net Property Revaluation Adjustments	2013	2014	2015
Recorded in the Income Statement:			
Total Australian net property revaluation increment / (decrement)	($60.35m)	($9.53m)	$7.604m
Plus: Overseas controlled entities:			
- New Zealand	$1.23m	($0.20m)	-
- Slovenia	-	($1.92m)	$1.123m
Total net property revaluation increment / (decrement) in the Income Statement	**($59.12m)**	**($11.65m)**	**$8.73m**
Recorded in Equity (Asset Revaluation Reserve):			
- Australia	($2.12m)	$0.58m	-
- New Zealand	$1.69m	$10.98m	$3.65m
- Slovenia	$0.32m	$0.06m	$0.26m
- Singapore	$2.43m	$5.02m	$7.15m
Total net property revaluation adjustments recorded in Equity (ARR)	**$2.32m**	**$16.64m**	**$11.06m**

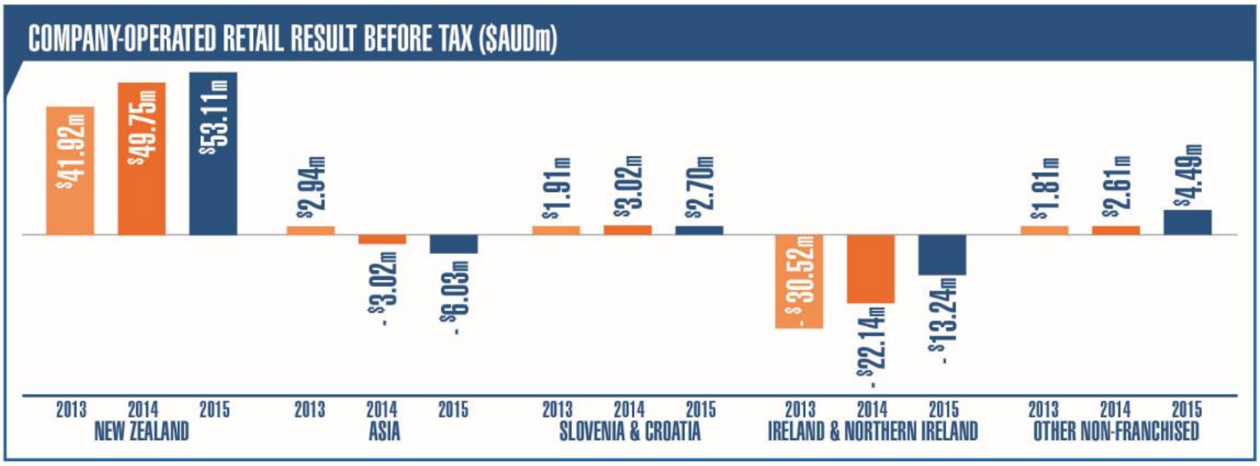
During the year ended 30 June 2015, thirty-four (34) properties in Australia were independently valued, representing 28.81% of the total number of investment properties owned by the consolidated entity and 22.95% of the fair value of all investment properties in Australia.

The balance of the portfolio was reviewed for comparability resulting in the preparation of internal valuations for nine (9) additional sites. The valuation for the 30 June 2015 financial year resulted in a net increase of $7.604 million in Australia and an increase of $1.123 million in Slovenia.

Operating and Financial Review (OFR) (continued)

3) The Company-Operated Retail Segment





The result before tax of the company-operated retail segment increased 42.9% to $41.03 million in the 2015 financial year, from $28.72 million in the prior year. Improved operational performances in a number of international markets; primarily New Zealand, Ireland, and Northern Ireland drove this result.

New Zealand

FX rate: NZD vs AUD up 2.86%

Sales revenue from the New Zealand company-operated stores **increased by 6.3%, or $NZ47.44 million, to $NZ797.13 million** in the 2015 financial year, from $NZ749.69 million in the prior year. This was partly due to the opening of a new store at Napier in September 2014 and a full-year's contribution from the stores in Hornby and Tauranga that had opened in November 2013. Sales increased across all key categories in New Zealand, buoyed by favourable economic conditions and elevated business and consumer confidence. The robust housing market, particularly in Auckland and Christchurch, positively impacted sales. Harvey Norman remains the market leader in New Zealand and has grown market share in key product categories, positioning the New Zealand stores to benefit from any further expansion in the market over the coming year. Translated into Australian dollars, sales revenue **increased 9.4%, or $63.45 million, to $740.62 million** due to a 2.86% appreciation of the New Zealand Dollar relative to the Australian dollar over the year.

Other revenue decreased 34.6%, or $5.91 million, to $11.20 million from $17.11 million in the prior year, primarily due to the one-off insurance recoveries received following the finalisation of claims relating to the Christchurch earthquake and the Porirua fire.

The retail result in New Zealand **increased 6.7%, or $3.36 million, to $53.11 million** for the 2015 financial year, from $49.75 million in the prior year. Despite a very competitive and challenging market, total gross margins increased throughout 2015. A continued and disciplined focus on operating efficiencies and cost minimisation curtailed any significant increases in total expenses.

Asia

FX rate: SGD vs AUD up 5.64%

The Asian segment consists of the 30 Harvey Norman stores in Singapore and Malaysia and the flagship, prestige furniture offering of Space Furniture in Singapore. Sales revenue **decreased 0.1%, or $S0.62 million, to $S428.99 million** in the 2015 financial year, from $S429.61 million in the prior year. Translated into Australian dollars, sales actually **increased 5.5%, or $20.37 million, to $391.56 million**, from $371.18 million in the prior year due to a 5.64% appreciation in the Singapore dollar relative to the Australian dollar over the year.

Operating and Financial Review (OFR) (continued)

Harvey Norman store sales in Singapore marginally increased in local currency due to the redevelopment of the Suntec City Mall which reopened in August 2014 and the opening of two new stores at Sportshub (August 2014) and One KM (October 2014). A new 100,000 sq foot flagship store in Millenia Walk will replace the existing 45,000 sq foot store in December 2015, further and significantly increasing the Harvey Norman footprint in Singapore. Harvey Norman sales in Malaysia improved mainly as a result of new store openings in the 2014 financial year and good sales momentum in the months leading up to the implementation of a Goods and Services Tax ("GST") of 6% in April 2015. Following the implementation of the GST, sales plateaued in the last quarter of the 2015 financial year.

The Asian retail result recorded a loss of $6.03 million in the 2015 financial year, representing a $3.01 million widening in the loss of $3.02 million in the prior year. The Asian retail result was negatively impacted by: a decline in margins; higher information technology costs; and, an increase in wages as a result of new store openings in what is a tight labour market. Moving forward, the strategy is to improve the margin through better negotiation with suppliers together with a shift in the sales mix and the implementation of cost containment measures.

Ireland & Northern Ireland
FX rate: EUR vs AUD down 2.70%; FX rate: GBP vs AUD up 6.60%
Sales revenue from the company owned stores in Ireland **increased 7.4%, or €10.54 million, to €153.96 million** in the 2015 financial year, from €143.43 million in the prior year. Translated into Australian dollars, sales revenue **increased 4.5%, or $9.42 million, to $221.12 million** due to improved performances across all product categories, particularly furniture and bedding. The Irish business is now in its 6th consecutive year of loss reduction, and 4th year of sales growth. The Irish consumer landscape continues to strengthen, and the Harvey Norman brand is experiencing increased market share across most categories in this recovering market. Internal factors have also contributed to the rise in sales including an improved product range (particularly in homewares and accessories) and the rollout of a premium stock selection that has lifted average selling prices.

Sales revenue from the two company operated stores in Northern Ireland **increased 15.5%, or £0.75 million, to £5.61 million** for the 2015 financial year, from £4.86 million in the prior year. Translated into Australian dollars, sales **increased 23.1%, or $1.99 million, to $10.57 million**.

The trading losses for Ireland and Northern Ireland almost halved in the 2015 financial year with a 40.2%, or $8.90 million, reduction in the trading loss to $13.24 million from $22.14 million in the prior year. A disciplined and ongoing focus on cost minimisation has resulted in a lower ratio of total expenses to sales. The Irish segment has benefitted from continuing efforts to optimise the operations, enhance the customer experience, and grow sales without engaging in price discounting.

Slovenia and Croatia
FX rate: EUR vs AUD down 2.70%
Sales revenue from the company-operated stores in Slovenia and Croatia increased 1.7%, or €1.08 million, relative to the prior year. Sales in Slovenia increased by €1.15 million while sales in Croatia decreased by €0.07 million. Translated into Australian dollars, sales actually decreased 1.08%, or $1.03 million, due to a 2.70% depreciation of the Euro relative to the Australian dollar.

Generally low consumer confidence in the Euro Zone, further exacerbated by the threat of a Greek sovereign default in the last quarter of 2015, led to subdued sales. Despite extreme discounting by competitors, the business still grew market share in key categories.

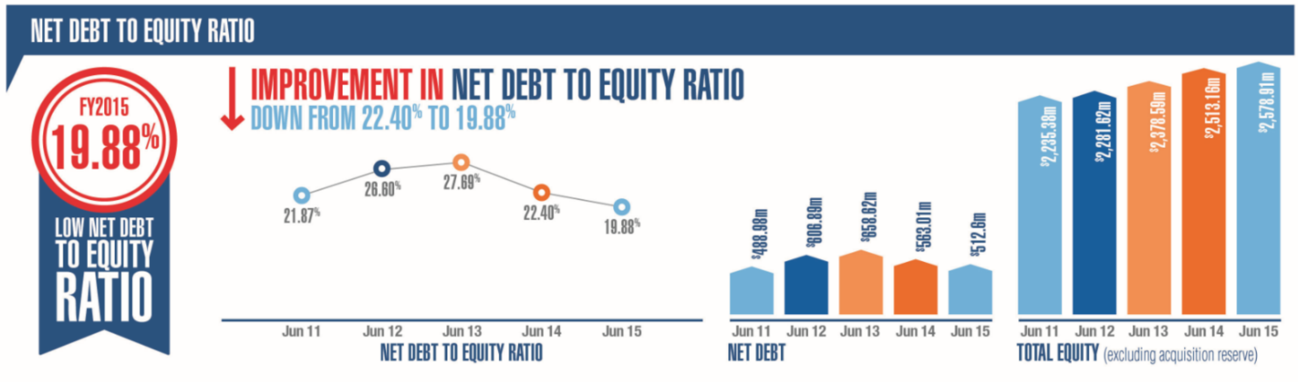
The retail result in Slovenia and Croatia decreased by 10.5% to $2.70 million for the year ended 30 June 2015, from $3.02 million for the prior year.

Other Non-Franchised Retail
The non-franchised retail segment consists primarily of the retail trading operations in Australia which are controlled by the consolidated entity and does not include the operations of any Harvey Norman franchisee. Total revenue for the other non-franchised retail segment **increased 7.1%, or $10.17 million, to $153.15 million** for the year ended 30 June 2015, from $142.98 million in the prior year.

The result for the non-franchised retail segment **increased 72.1%, or $1.88 million, to $4.49 million** for the 2015 financial year, from $2.61 million in the prior year.

Operating and Financial Review (OFR) (continued)

Review of the Financial Position of the Consolidated Entity



Net Assets	2013	2014	2015
Total Assets	$4.04bn	$4.21bn	$4.36bn
Return on Total Assets %	3.52%	5.03%	6.15%
Total Liabilities	$1.67bn	$1.72bn	$1.80bn
Net Assets	$2.36bn	$2.49bn	$2.56bn
Return on Net Assets % (a)	6.10%	8.57%	10.57%

(a) excludes non-controlling interests

Net Debt to Equity %	2013	2014	2015
Total Debt	$820.28m	$707.97m	$698.44m
Less: Cash Reserves	($161.66m)	($144.96m)	($185.84m)
Net Debt	$658.62m	$563.01m	$512.60m
Total Equity (b)	$2.38bn	$2.51bn	$2.58bn
Net Debt to Equity %	**27.69%**	**22.40%**	**19.88%**

(b) excludes acquisition reserve

Harvey Norman's strong net asset position has been steadily increasing in recent years and has more than doubled from $1.27 billion at 30 June 2005 to $2.56 billion as at 30 June 2015. **Net assets increased 2.6%, or $65.75 million, to $2.56 billion** at 30 June 2015, from $2.49 billion in the prior year.

Total assets increased 3.6%, or $152.41 million, to $4.36 billion in the 2015 financial year, from $4.21 billion in the prior year. This increase was largely due to increases of: 7.8%, or $87.56 million in trade and other receivables; 28.2%, or $40.88 million in cash reserves; and, 1.7%, or $32.43 million in investment property assets.

Trade and other receivable assets increased from the prior year mainly due to a rise in aggregate working capital advances to franchisees consistent with the growth in franchisee sales revenue during the last two quarters of the 2015 financial year, and a rise in non-trade commercial advances during the year.

Tangible property assets, consisting of investment properties, owned land and buildings, joint venture properties and properties for resale comprises 53.2% of the total asset base. Tangible property assets increased 1.2%, or $28.39 million to $2.32 billion as at 30 June 2015 due to increases in the fair market value of Australian investment properties, new store openings in overseas markets as well as renovations and refurbishments of existing sites in Australia.

Total liabilities increased by 5.1%, or $86.66 million, in the 2015 financial year. The increase was largely due to an increase in trade and other payables of $72.79 million over the prior year. This was partially offset by a decrease of 1.3%, or $9.53 million, in interest-bearing liabilities to $698.44 million for the 2015 financial year, from $707.97 million in the prior year.

Net cash flows from operating activities increased 0.45% to $340.45 million for the 2015 financial year, from $338.94 million in the prior year. The rate of increase in operating cash flows was marginal as the stronger cash flows received from higher franchise fee income, lower tactical support payments and higher sales from company-operated stores were offset by increased working capital advances to franchisees. Higher franchisee working capital requirements resulted from an increase of franchisee stock holdings in response to increased demand, particularly in the last quarter of the 2015 financial year and well into July 2015.

The overall debt levels of the consolidated entity remain commendably low, resulting in a **low net debt to equity ratio from 22.40% in the prior year to 19.88%** as at 30 June 2015.

Capital Management Policy

The consolidated entity's capital management policy's objective is to: create long-term sustainable value for shareholders; maintain optimal returns to shareholders and benefits to other stakeholders; source the lowest cost available capital; and, prevent the adverse outcomes that can result from short-term decision making.

Operating and Financial Review (OFR) (continued)

The Capital Management Policy stipulates a debt-to-equity target for the consolidated entity of less than 50%.

The capital structure of the consolidated entity consists of: debt, which includes borrowings disclosed in Notes 18 and 21 of this report; Interest-Bearing Loans and Borrowings; cash and cash equivalents disclosed in Note 28(a); 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.

The consolidated entity's borrowings consist primarily of bank debt provided by a syndicate of four banks (three of which are members of the "Big 4" Australian Banks) trading in Australia. Concentration risk is minimised by staggering facility renewals and utilising a range of maturities over 1, 3 and 5 years. Interest rate risk is mitigated with interest rate swaps.

Renounceable Rights Offer, December 2014
On 25 November 2014, Harvey Norman Holdings Limited ("the Company") announced a fully underwritten, pro-rata renounceable entitlement offer of new HVN ordinary shares to existing shareholders, pursuant to the terms and conditions of the "Entitlement Offer and Information Booklet".

The entitlement was conducted to assist the Company in achieving its capital management objectives.

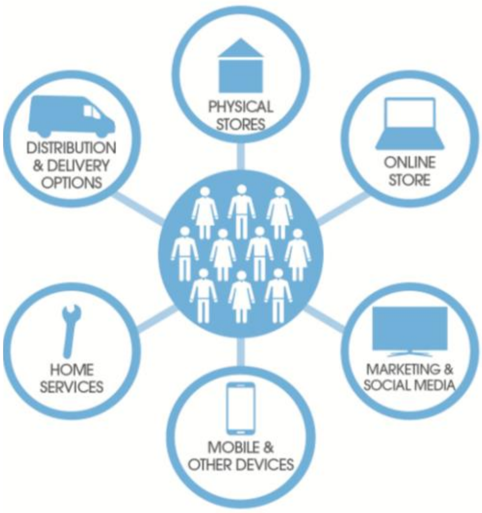
The Entitlement Offer consisted of an offer to Eligible Shareholders to subscribe for 1 New Share for every 22 existing HVN ordinary shares held on the Record Date of 7:00 pm (Sydney time) on Tuesday 2 December 2014 at the Offer Price of $2.50 per New Share, being a 32.61% discount to the closing price of $3.71 on 24 November 2014 (the trading day prior to the announcement of the Entitlement Offer).

The Entitlement Offer closed at 5:00pm on 15 December 2014. The Entitlement Offer raised $117.06 million before issue costs, with shareholders subscribing for 46,823,869 fully paid ordinary shares, representing approximately 97.0% of the total New Shares which were offered under the Entitlement Offer. The balance of 1,463,258 New Shares, representing the remaining 3.0% not taken up by shareholders, was allocated to the underwriter, Patersons Securities Limited. The Entitlement Offer was fully sub-underwritten by Evitorn Pty Limited, ATF Harvey 2014 Share Trust, an entity associated with Mr. Gerald Harvey, Executive Chairman of the Company. Settlement of the shortfall, and the receipt of the remaining proceeds of $3.66 million, took place on 19 December 2014. 48,287,127 New Shares in the Company were allotted on 22 December 2014 and commenced trading on the ASX on 23 December 2014. On 30 December 2014, the Company paid a special dividend of $0.14 per share to existing shareholders totalling $148.72 million. The proceeds of the Entitlement Offer were used to pay this dividend, with the shortfall paid from existing cash reserves of the consolidated entity. The payment of the special dividend resulted in the utilisation of $63.74 million franking credits.

Business Strategies, Future Prospects and Likely Developments

The OFR provides information to enable shareholders to make an informed assessment of the consolidated entity's future business strategies and prospects. The OFR additionally provides information about, and refers to likely developments in the operations of the consolidated entity, and detail on risks that could give rise to likely material detriment to the consolidated entity. The OFR does not include information that is commercially sensitive, confidential, or which could provide a third party with a commercial advantage.

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



Omni Channel
Over a number of years, the consolidated entity has invested in systems, processes and people to create an Omni Channel service offering across the network of Harvey Norman complexes. The strategy provides customers of Harvey Norman franchisees with a seamless and distinctive experience independent of whether the customer chooses to engage with Harvey Norman in its physical complexes, online, or through mobile and/or social media.

The physical complexes are also distribution centres and provide customers of Harvey Norman franchisees with consistently excellent service and products regardless of their location. With an extensive network of complexes, Harvey Norman has established itself as the Homemaker destination of choice in the eight countries in which it operates.

Operating and Financial Review (OFR) (continued)

Integrated Retail, Franchise, Property and Digital System
The integrated retail, franchise, property and digital system strengthens the consolidated entity's competitive position by offering financial stability. With a balance sheet underpinned by a $2.32 billion portfolio of property, Harvey Norman, as franchisor, is able to provide tactical support where necessary to preserve its brand and competitive position.

Through effective property management, the consolidated entity attempts to attract more customers into franchised complexes by ensuring a high quality, cross beneficial tenancy mix.

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

Franchisee's have developed online training programs for their sales personnel with key performance indicators relating to training attendance and results.

Franchisee's monitor the quality of their service through an ongoing mystery shopper program and by collecting customer feedback. By leveraging the Omni Channel Strategy, franchisee's have 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
The consolidated entity invests in systems, technology and processes to improve profitability and create operational efficiencies. Over the next twelve months, further supply-chain efficiencies to enhance the productivity of the franchisee's businesses will be assessed and the deployment of the workforce productivity system by franchisees will be completed to improve the efficiency of franchisee staff planning, rostering and administration.

Supply Chain Insight
Over many years, Harvey Norman franchisees have developed close relationships with a range of high quality suppliers. Franchisee's benefit from industry-leading insight into emerging products and consumer trends. This assists franchisees to plan for shifts in market trends.

Outlook

As Australia's leading Homemaker destination of choice, it is the Australian residential property market that most directly affects the consolidated entity's performance. More specifically, housing starts, renovation expenditure, and the level of secondary market transaction volume – distinct from secondary market prices – are the measures most relevant to our business.

With continuing strength in the housing market and interest rates remaining at historical lows, we believe that conditions remain conducive to a continued confidence to deliver solid financial performance.

Operating and Financial Review (OFR) (continued)

Summary of Key Business Risks

The Board is 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 above.

Every business faces risks with the potential to impair its ability to execute its strategy or achieve its financial objectives. There are a number of key risks, both specific to the Harvey Norman integrated retail, franchise, property and digital system and external risks, for example the macroeconomic environment, over which the consolidated entity has no control. Harvey Norman acknowledges the existence of these risks, and in the first instance seeks to identify and understand individual risks, and then – to the extent possible – manage and/or minimise risks.

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

Harvey Norman has a significant exposure to the broader macro-economy in each of the countries in which it is present. There are a number of general economic conditions, including interest and exchange rate movements, overall levels of demand, housing market dynamics, economic and political instability and government fiscal, monetary and regulatory policies, that can impact the level of consumer confidence and discretionary retail spending, thereby affecting revenue from sales to customers and franchise fees. The consolidated entity seeks to reduce its exposure to these risks by monitoring closely both internal and external sources of information that provide insights to any changes in demand within the economies in which it operates.

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

The integrated retail, franchise, property and digital platforms, and diverse category mix aid in maintaining the consolidated entity's competitive position. Franchisees operate across diverse categories including the strongly performing Homemaker categories. Diversity mitigates the risk from existing and potential single-category competitors.

(iii) Emergence of competitors in new channels:

The Harvey Norman Omni Channel Strategy provides customers of franchisees with a diverse, consistent and distinctive Harvey Norman customer experience. The Harvey Norman Omni Channel Strategy integrates retail, online, mobile, or social channels. The online operations of franchisees in Australia and the company in New Zealand have grown substantially. The digital platform creates new opportunities for growth and new ways to embrace and engage with customers. Data analytics are an important element of the Harvey Norman Omni Channel Strategy, and are utilised to improve customer experience.

The Harvey Norman 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 of franchisees with a multitude of options to meet their needs. The Harvey Norman Omni Channel Strategy, underpinned by direct retail property, makes the Harvey Norman brand a formidable competitor in the market.

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

With a property portfolio of $2.32 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 complexes and a solid, dynamic, complementary tenancy mix in order to maximise the profitability of the property segment.

(v) 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 the performance of external service providers to mitigate counterparty risk.

(vi) Counterparty risk associated with the mining camp accommodation joint ventures:

Commodity prices are inherently volatile. The provision of services to the mining industry is inherently risky. The consolidated entity has entered into joint ventures with counterparties to provide mining camp accommodation services. The risk in respect of mining camp accommodation joint ventures includes the ability of counterparties to meet financial and other obligations under mining camp accommodation joint venture agreements.

The consolidated entity intensively monitors and evaluates the performance of counterparties of the mining camp accommodation joint ventures by monitoring compliance with joint venture agreements; adopting a prudent and conservative approach to the review of mining camp accommodation cash flows, including future cash flow projections; and ensuring that an adequate level of security is maintained for any funds advanced to mining camp accommodation joint ventures.

Operating and Financial Review (OFR) (continued)

(vii) Compliance by franchisees with franchise agreements:

This risk relates to franchisees not operating their assigned franchise in accordance with the terms and conditions of their respective franchise agreements. The consequences of non-compliance may include damage to the brand, fines or other sanctions from regulators, and/or a reduction in franchise fees received from franchisees.

The franchisor continually monitors and evaluates the financial and operating performance of each franchisee to actively assess compliance with executed franchise agreements. Instances of non-compliance are promptly addressed to protect the Harvey Norman brand and/or intellectual property of the franchisor.

(viii) Information Technology ("IT") security and data security breaches:

This risk relates to potential failure in the IT security measures resulting in the loss, destruction or theft of customer, supplier, financial or other commercially-sensitive information including intellectual property. This has the potential to adversely affect our operating results which would lead to lawsuits, damage the reputation of the Harvey Norman brand, and/or create other liabilities for the consolidated entity.

There are a number of key controls either planned or already in place including an ongoing program of investment in cyber security software; the implementation, maintenance and supervision of operational policies intended to preserve the integrity of the physical IT infrastructure; regular independent audit and review of IT security; and the ongoing review, practise and updating of a disaster/crisis management plan relating to IT systems.

New Store Openings and Closures

Franchised Complexes in Australia

One (1) new franchised complex located at Port Lincoln (SA) commenced trading during the year ended 30 June 2015.

One (1) Joyce Mayne store was converted to the Domayne brand format during the current year.

We continue to assess the viability of the franchised complexes and closed six (6) stores during the current year.

There were 194 franchised complexes in Australia as at 30 June 2015 under the following brand names:
- Harvey Norman 169
- Domayne 18
- Joyce Mayne 7

Company-Operated Store Openings and Closures in Offshore Markets

As at 30 June 2015 there were 86 company-operated stores located in offshore markets.

One (1) new store was opened in New Zealand located at Napier (September 2014), bringing the total number of stores in New Zealand to thirty-six (36) trading under the Harvey Norman brand name.

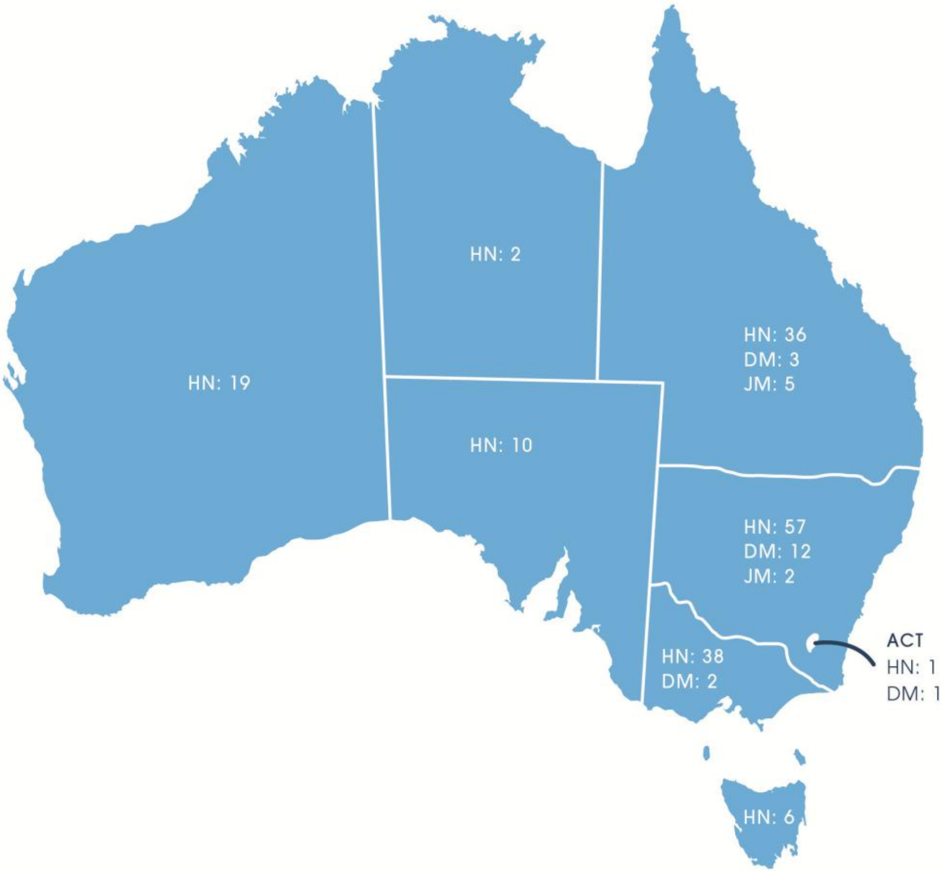
Two (2) new stores were opened in Singapore located at Sportshub (August 2014) and One KM (October 2014) and one (1) store was reopened in Suntec City Mall (August 2014). There were Seventeen (17) stores in total in Singapore trading under the Harvey Norman brand name.

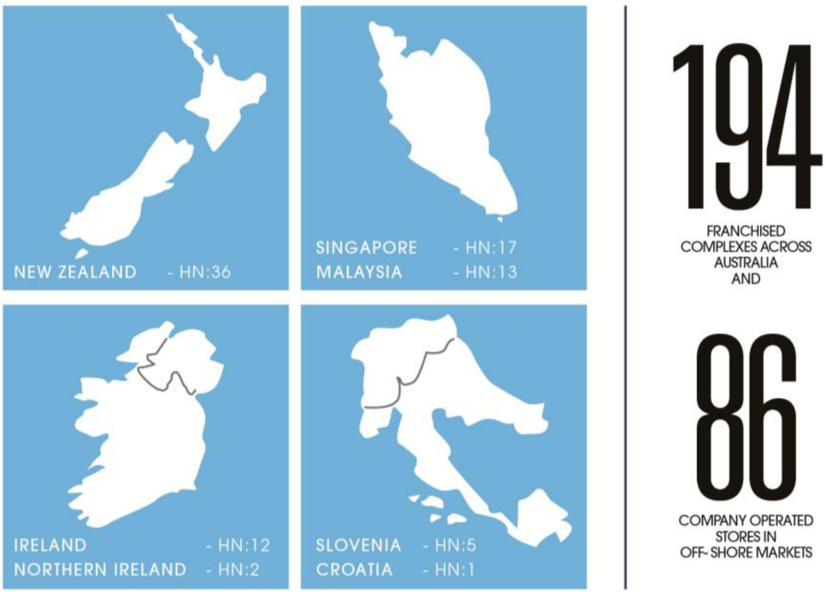
There were no store openings or closures in Malaysia (13 stores in total), Ireland (12 stores in total), Slovenia (5 stores in total), Northern Ireland (2 stores in total) and Croatia (1 store) during the year ended 30 June 2015.

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 2015.





Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the consolidated entity in accordance with the requirements of the *Corporations Act 2001 (Cth), as amended,* (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration principles and strategy
3. Remuneration governance
4. Approach to setting remuneration
5. Detail of incentive plans
6. Response to vote against 2014 remuneration report
7. Executive remuneration arrangements
8. Executive remuneration outcomes and amounts disclosed as compensation to KMP in 2015
9. Executive contractual arrangements
10. Non-executive director remuneration arrangements
11. Compensation of key management personnel (KMP)
12. Additional disclosures relating to options and shares
13. Loans to key management personnel (KMP) and their related parties
14. Other transactions and balances with KMP and their related parties

1. Introduction

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.

Details of KMP of the Company and consolidated entity during the 2015 financial year are set out below. Unless otherwise indicated, the individuals were KMP for the entire financial year.

For the purposes of this report, the term "executive" includes the chief executive officer ("CEO"), executive directors and senior executives of the consolidated entity.

Key Management Personnel

(i) Executive 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
(ii) Non-Executive Directors	
Christopher Herbert Brown OAM	Non-Executive Director
Michael John Harvey	Non-Executive Director
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)
Graham Charles Paton AM	Non-Executive Director (Independent)
(iii) Senior Executives	
Martin Anderson	General Manager – Advertising
Thomas James Scott	General Manager – Property
Gordon Ian Dingwall	Chief Information Officer
Geoff Van Der Vegt	General Manager – Technology and Entertainment
Haydon Ian Myers	General Manager – Home Appliances
Rob Nelson	General Manager – Audio Visual

2. Remuneration Principles and Strategy

The executive remuneration strategy of the consolidated entity in 2015 is designed to attract, motivate and retain high performing individuals and align the interests of executives with shareholders.

The following diagram illustrates how the remuneration strategy of the consolidated entity in 2015 aligns with the strategic direction and links remuneration outcomes to performance.

Remuneration Report (Audited) (continued)

Objective of the consolidated entity in 2015
To be recognised as a leader in the sectors in which the consolidated entity operates and build long-term sustainable value for shareholders

⇩

Remuneration strategy linkages to objective of the consolidated entity in 2015	
Align the interests of executives with shareholders ▪ The remuneration framework incorporates "at-risk" components, through STI and LTI plans ▪ Performance is assessed against a suite of financial and non-financial measures relevant to the success of the consolidated entity in 2015 and generating returns for shareholders	Attract, motivate and retain high performing individuals ▪ The remuneration offering is competitive for companies of a similar sector, size and complexity ▪ Longer-term remuneration encourages retention and multi-year performance focus

⇩

Component	Vehicle	Purpose	Link to performance
Fixed remuneration	▪ Comprises base salary, superannuation contributions and other benefits	▪ To provide competitive fixed remuneration set with reference to role, market and experience	▪ Consolidated entity and individual performance are considered during the annual remuneration review
STI	▪ Paid in cash as performance cash incentive (PCI)	▪ Rewards executives for their contribution to achievement of consolidated entity outcomes	▪ Adjusted net profit before tax for the year must be no less than 14% of net assets, excluding non-controlling interests, at start of the year (Minimum RONA) is a key financial metric link to performance ▪ Linked to other internal financial and non-financial measures
LTI	▪ Paid in cash as PCI ▪ Proposal for award of performance rights to shares instead of PCI to be proposed at 2015 AGM	▪ Rewards executives for their contribution to the creation of sustainable shareholder value over the longer term	▪ Vesting of LTI PCI is conditional upon achievement, in aggregate, of Minimum RONA over the 2015, 2016 and 2017 financial years (50% weighting) and selected non-financial measures (50% weighting)

3. Remuneration Governance

Remuneration Committee
The remuneration committee is responsible for making recommendations to the Board on the remuneration arrangements for executive directors and non-executive directors ("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.

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 chief executive officer ("CEO") and executives and all awards made under the long-term incentive plans of the Company, 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 short term incentive ("STI") pool, in the form of performance cash incentive ("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 any long term incentive plan or short term incentive plan of the Company, and no executive director voted on those matters.

Remuneration Report (Audited) (continued)

4. Approach to Setting Remuneration

In FY2015, the executive remuneration framework comprised fixed remuneration, STI and LTI as outlined below.

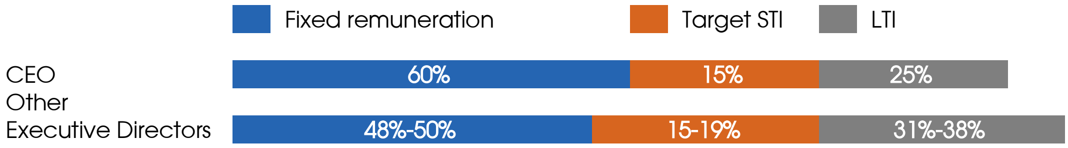
The consolidated entity aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being market competitive.

The policy of the consolidated entity is to position fixed remuneration around the median of comparator groups. Target total remuneration is intended to provide the opportunity to earn top quartile rewards for outstanding performance.

In FY2015, remuneration benchmarking was undertaken with reference to both sector peers and comparator groups comprising companies of a similar financial size.

Remuneration levels are considered annually through a remuneration review which considers market data and the performance of the consolidated entity and individual.

The following summarises the target remuneration mix of the executives.



5. Detail of Incentive Plans

STI
The consolidated entity operates an annual STI program available to executive directors and awards a performance cash incentive (PCI) subject to the attainment of clearly defined measures, targets, initiatives and conditions.

Who participates	Executive directors
How is STI delivered?	Cash, as a PCI
What is the STI opportunity?	Executive directors have a target STI opportunity of between 15% to 19% of fixed remuneration.
What are the performance conditions for FY2015?	Actual STI payments awarded to each executive depend on the extent to which specific measures, targets, initiatives and conditions for the financial year ("STI Targets") are met. STI Targets cover financial and non-financial measures of performance. For each STI Target objective weighting is set. Details of the 2015 STI Targets and levels of achievement are set out in the table on pages 30 - 32 (2015 STI Targets Table). The financial performance measures represent key drivers for the short-term success of the businesses of the consolidated entity and provide a framework for delivering long-term value. The non-financial component of the STI plan is measured with reference to an assessment against a range of measures in respect of each relevant year. The measures (and their intended objectives) in respect of FY2015 are set out in the 2015 STI Targets Table.
How is performance assessed?	On an annual basis, after consideration of reports and performance against STI Targets, the remuneration committee makes a final determination of the amount of STI to be paid to the CEO and other executive directors.
What happens if an executive leaves?	For "Bad Leavers" (defined by the Company as resignation or termination for cause), any STI is forfeited, unless otherwise determined by the Board. For any other reason, the Board has discretion to award STI on a pro-rated basis taking into account time and the current level of performance against performance hurdles.

LTI plan
LTI grants are made annually to executive directors in order to align remuneration with the creation of sustainable shareholder value over the long-term.

Who participates?	Executive directors who have an impact on the performance of the consolidated entity against the relevant long-term performance measures.
How is LTI delivered?	Performance cash incentive (PCI), in FY2015. The Board of the Company intends to submit a proposal to shareholders at the 2015 AGM, to approve delivery of LTI awards, from 1 July 2015 onwards to executive directors, in the form of performance rights to shares in the Company.
What are the performance conditions for the FY15 grant?	The Company used the following performance measures for the 2015 LTI plan (2015 LTI Targets). ▪ As to a 50% weighting achievement, in aggregate, of Minimum RONA over the 2015, 2016 and 2017 financial years; and ▪ As to a 50% aggregate weighting, a combination of non-financial measures Details of the 2015 LTI Targets and levels of achievement are set out in the table on pages 33 - 34 (2015 LTI Targets Table).

Remuneration Report (Audited) (continued)

	Minimum RONA was selected as an LTI performance measure as it: ▪ drives profitable use of assets and provides an alignment between comparative shareholder return and reward for executive directors; and ▪ minimises the effects of market cycles
How is performance assessed?	Level of satisfaction of LTI Plan conditions is monitored by the remuneration committee, with assistance from internal audit, each year, with the vesting outcomes ultimately determined at the end of the three year performance period.
When does the LTI vest?	The PCI in respect of FY2015 will be paid after 30 June 2018, subject to meeting performance measures in FY2015, 2016 and 2017 and service conditions.
How are potential LTI awards treated on termination?	For "Bad Leavers" (defined by the Company as resignation or termination for cause), any unvested LTI awards are forfeited, unless otherwise determined by the Board. For any other reason, the Board has discretion to retain a pro-rated (based on time) portion of awards on-foot subject to original performance hurdles.
How are potential LTI awards treated if a change of control occurs?	In the event of a change of control, the performance period end date will generally be brought forward to the date of the change of control and awards will vest based on performance over this shortened period (subject to ultimate Board discretion).

6. Response to Vote Against 2014 Remuneration Report

At the most recent annual general meeting of the Company ("AGM"):
(i) comments were made on the remuneration report that was considered at that AGM; and
(ii) when a resolution that the Remuneration Report for the last financial year ending 30 June 2014 be adopted was put to the vote at that most recent AGM of the Company, at least 25% of the votes cast were against adoption of that report.

An explanation of the actions of the Board of the Company in response to those comments and that vote is set out below.

1. During the year, the Board of the Company adopted an executive short-term incentive plan in respect of the 2015 financial year ("2015 STI Plan"), which provided for the payment of an aggregate maximum bonus amount of performance cash incentive ("2015 STI Plan PCI") to 5 named executive directors, subject to a combination of financial and non-financial conditions ("2015 STI Plan Performance Conditions"), and subject to satisfaction of service conditions ("2015 STI Plan Service Conditions"). Details of each measure, target, initiative and condition, weighting of initiative and condition and level of achievement in respect of each financial condition and non-financial condition included in the 2015 STI Plan Performance Conditions are set out in this report.
2. During the year, the Board of the Company adopted an executive long-term incentive plan in respect of the 2015 financial year ("2015 LTI Plan"), which replaced the previous LTI Plan terms and conditions in respect of FY2015, and provided for the payment of an aggregate maximum bonus amount of performance cash incentive ("2015 LTI Plan PCI") to 5 named executive directors, subject to a combination of financial and non-financial conditions ("2015 LTI Plan Performance Conditions"), and subject to satisfaction of service conditions ("2015 LTI Plan Service Conditions"). Details of each measure, target, initiative and condition, weighting of initiative and condition and level of achievement in respect of each financial condition and non-financial condition included in the 2015 LTI Plan Performance Conditions are set out in this report.
3. The 2015 LTI Plan Performance Conditions are separate and distinct from the 2015 STI Plan Performance Conditions and designed to reward executive directors for their contribution to the creation of shareholder value over the long term.
4. The 2015 LTI Plan Performance Conditions were weighted as to 50% in respect of financial conditions and 50% in respect of non-financial conditions, with the award in cash, measured over a 3 year period and subject to service conditions. The Board of the Company has determined, in response to comments made at the last AGM, that at the next AGM of the Company to be held in November 2015, to seek shareholder approval for a new long term incentive plan for executive directors, in respect of the financial years ending 30 June 2016, 2017 and 2018, with the following key features:
   (i) each award will be satisfied solely in performance rights to shares in the Company (as opposed to cash);
   (ii) the performance conditions will be measured over a 3 year period; and
   (iii) each award will be subject to satisfaction of financial conditions (with a weighting of 100%) and service conditions.
5. Comment was made at the AGM in respect of the 2014 Remuneration Report that the level of fixed remuneration of the CEO was too high.
6. The following comments are made in respect to the fixed remuneration of the CEO.
   (i) The CEO's fixed remuneration was increased in 2014 following a pay freeze which occurred during the previous financial period.
   (ii) There was no increase in fixed remuneration for the CEO (or any other executive director) in FY2015
   (iii) There is no proposed increase in fixed remuneration for the CEO (or any other executive director) in respect of FY2016.

Remuneration Report (Audited) (continued)

(iv) The CEO's total remuneration is at the median of the peer group used by the Company for benchmarking.
(v) The CEO's fixed remuneration is at 91% of the average of the peer group and as such, is below average for the relevant comparator group.
(vi) The Company has a significant commercial property portfolio (in excess of $2 billion) and substantial operations overseas which typically other comparator companies in the peer group do not have.
(vii) Control and stewardship of the property portfolio and the overseas operations of the consolidated entity falls within the ambit of responsibility of the CEO.
(viii) The retail and property sectors are highly competitive and the Board believes Ms Page's capabilities, skills and experience are in high demand in these sectors. The Board believes that these capabilities, together with her performance and long association with the Company's Australian and overseas businesses are invaluable to the consolidated entity and accordingly Ms Page's remuneration, in particular the fixed remuneration, remains appropriate.

7. Fixed executive director remuneration in FY2015 was 1.67% of pre-tax profit, compared to 2.09% in the previous year, and 3.03% in FY2013. Total executive director remuneration recognised in FY2015 was 2.61%, compared to 3.14% in the previous year, and 4.10% in FY2013.
8. The Board of the Company has acted in response to comments made at the last AGM. The Board remains confident that the remuneration policy of the Company and the level and structure of its executive remuneration are suitable for the Company and its shareholders.

7. Executive Remuneration Arrangements

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 39 of this report.

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 2015, the aggregate maximum amount of 2015 STI Plan PCI, potentially payable, was $2,000,000 as follows:
(i) in respect of Gerald Harvey, $280,000;
(ii) in respect of Kay Lesley Page, $520,000;
(iii) in respect of John Evyn Slack-Smith, $450,000;
(iv) in respect of David Matthew Ackery, $450,000; and
(v) in respect of Chris Mentis, $300,000.

The payment of the 2015 STI Plan PCI to an executive under the 2015 STI Plan is to be made on 30 September 2015, or as soon as reasonably practicable after that date, subject to the satisfaction of 2015 STI Plan Performance Conditions and 2015 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 2015 STI Plan by serving a written notice to the relevant executive at any time before the payment date.

The primary weighting of the 2015 STI Plan Performance Conditions in calculating the 2015 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

Remuneration Report (Audited) (continued)

Financial Conditions of the 2015 STI Plan

The Financial Condition will be:
(a) partly satisfied if the APBT is 14% 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 consolidated entity, for the financial year ended 30 June 2015, 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 2014 as described in the statement of financial position published in the annual report of the consolidated entity for the 2014 financial year.

The Financial Condition of the 2015 STI Plan, will be satisfied as to:
(a) 50% if the APBT is greater than or equal to 14%, but less than 14.25% of the Net Assets;
(b) 60% if the APBT is greater than or equal to 14.25%, but less than 14.5% of the Net Assets;
(c) 70% if the APBT is greater than or equal to 14.5%, but less than 14.75% of the Net Assets;
(d) 85% if the APBT is greater than or equal to 14.75%, but less than 15% of the Net Assets;
(e) 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 2015 STI Plan.

Non-Financial Conditions of the 2015 STI Plan

The Board has set several Non-Financial Conditions for the 2015 STI Plan. The Board weighted each of the Non-Financial Conditions in respect of the 2015 STI Plan so that if only some of the Non-Financial Conditions were 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 had the right to change the description or weighting, or both, of the Non-Financial Conditions for the 2015 STI Plan.

Before 30 September 2015:
(a) the CEO will prepare a report 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 the 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 2015 STI Plan.

The Non-Financial Performance Conditions for the 2015 STI Plan are set in the following table.

Remuneration Report (Audited) (continued)

Measure	Target	Primary Weighting	Initiatives and Conditions	Weighting of Initiatives & Conditions	Achievement	Score
Customer experience	Reinforce and enhance the "Shop with Confidence" Harvey Norman franchisee brand positioning through the Customer Service Standards across all channels.	15%	Franchisees in a Harvey Norman complex to achieve an aggregate satisfaction rating from customer experience surveys of no less than 75% for that complex in Australia and, in aggregate, customer satisfaction rating of no less than 70% for company-operated stores in New Zealand.	40%	0% Ratings of 62.7% (Aust) 57.0% (NZ)	Nil
			Each franchisee to achieve no less than a 10% reduction in the number of total consumer complaints over the prior year.	40%	100% Decrease 11% (Aust) 32% (NZ)	6%
			Integrated EFTPOS payment terminals to be implemented by all company-operated stores in New Zealand by 28 February 2015.	10%	100%	1.5%
			To launch 'Pay With Points' in all company-operated stores in New Zealand by 30 June 2015.	10%	100%	1.5%
Improve franchisee productivity	Provide franchisees with licences to use tools to assist franchisees to improve franchisee productivity.	20%	In aggregate, franchisees from thirty-six (36) franchised complexes to implement and go-live with the Work Force Management Solution by 30 June 2015.	100%	100% Go-live in 94 complexes	20%
Franchisee inventory & supply chain management	Improvements in efficiency by franchisees in franchisee supply chain systems.	15%	Each franchisee to successfully adopt the second phase of the merchandise, inventory and supplier management system.	50%	100%	7.5%
			Each franchisee to establish a capability and structure for supply chain management that delivers an improved plan for inventory management, replenishment and supplier collaboration for the franchisee.	50%	100%	7.5%
Digital	To enhance and progress the digital capabilities of Harvey Norman in key territories.	15%	To successfully deliver approved upgrades to the digital capabilities of online channels to enable and result in a 20% improvement in franchisee online revenue in Australia and New Zealand company-operated online revenue by 30 June 2015.	100%	100% Improvement 43%	15%
Learning, development & growth	Ongoing refinement of the process by franchisees that promotes and encourages measureable improvement in the knowledge and capability of the franchisee and their employees in Australia.	15%	Increase the participation rate of franchisees-in-training ("FIT") in the FIT Program to 50% by 30 June 2015.	50%	100% Participation rate 68%	7.5%
			Increase the successful completion rate of participants in the FIT Program to 75%.	50%	100% Completion rate 84%	7.5%
TOTAL		80%				74%

Remuneration Report (Audited) (continued)

Service Conditions of the 2015 STI Plan

The 2015 STI Plan Service Conditions will be deemed to be satisfied, if and only if, as at the relevant payment date being 30 September 2015:

- the Executive has not resigned or provided notice of resignation of employment from the Employer, except in order to retire from the workforce;
- the Employer has not terminated the employment of the Executive for cause; or
- 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 2014 and 2015 Financial Years

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 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.

For the 2015 financial year, $1,820,000 being 91.0% of the aggregate maximum 2015 STI Plan PCI of $2,000,000, as previously accrued in that period, vested in executive directors and is to be paid in the 2016 financial year. There were no forfeitures. The remuneration committee considered the 2015 STI Plan PCI payments for the 2015 financial year in September 2015.

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.

2015 LTI Plan – Long-Term Performance Cash Incentive ("PCI")

For the year ended 30 June 2015, the Board of the Company adopted an executive long-term incentive plan in respect of the 2015 financial year ("2015 LTI Plan"), which replaced the Second Tranche of the 2014 LTI Plan. The 2015 LTI Plan provided for a PCI in an aggregate maximum bonus amount of $3,700,000 ("2015 LTI Plan PCI") as follows:

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

The probable achievement of the aggregate of the 2015 LTI Plan PCI, in accordance with the terms and conditions of the 2015 LTI Plan, is presently estimated to be $2,590,000 in respect of FY2015. This amount approximates 70% of the total aggregate maximum bonus amount of $3,700,000 in respect of the 2015 LTI Plan PCI. The value to be recognised as remuneration to each executive director will be recognised on a straight-line basis over the vesting period of the 2015 LTI Plan, being the four-year period from 1 July 2014 to 30 June 2018.

The payment of the 2015 LTI Plan PCI to an executive under the 2015 LTI Plan is to be made on 30 June 2018, subject to the satisfaction of 2015 LTI Plan Performance Conditions and 2015 LTI Plan Service Conditions.

2015 LTI Plan Overriding Condition

The 2015 LTI Plan Performance Conditions in respect of the 2015 LTI Plan include an overriding condition as follows ("2015 LTI Plan Overriding Condition").

In this condition, the following terms have the following meanings:

- "Aggregate APBT" means the aggregate of the amounts of the annual net profit before income tax of the consolidated entity for each of the Financial Years, but excluding any amounts accounted for in the financial statements of the consolidated entity for increments or decrements arising from any revaluation of land or buildings in the Financial Years;
- "Aggregate Net Assets" means the amount equivalent to the aggregate of the amounts of the net assets of the consolidated entity, excluding non-controlling equity interests, as at each of 30 June 2014, 2015 and 2016 as described in the annual report in respect of each of the Financial Years;
- "Financial Years" means the financial years ending 30 June 2015, 2016 and 2017;

No bonus amount shall be payable to any Executive in respect of the year ending 30 June 2015 pursuant to the 2015 LTI Plan, unless the Aggregate APBT is 14% or more of the Aggregate Net Assets.

The primary weighting of the 2015 LTI Plan Performance Conditions in calculating the 2015 LTI Plan PCI payable to an executive is as follows:

(a) as to 50% - the Financial Condition; and
(b) as to 50% - the Non-Financial Conditions

Remuneration Report (Audited) (continued)

(i) Financial Condition of the 2015 LTI Plan PCI

In respect of the 2015 LTI Plan PCI, subject to the 2015 LTI Plan Overriding Condition, the Financial Condition in respect of the financial year ended 30 June 2015 will be:

(a) partly satisfied if the APBT is 14% 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 consolidated entity, for the financial year ended 30 June 2015, 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, excluding non-controlling equity interests, as at 30 June 2014 as described in the statement of financial position published in the annual report of the consolidated entity for the 2014 financial year.

The Financial Condition of the 2015 LTI Plan PCI will be satisfied as to:
(a) 50% if the APBT in respect of that Tranche Period is greater than or equal to 14%, but less than 14.25% 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 14.25%, but less than 14.5% 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 14.5%, but less than 14.75% of the Net Assets in respect of that Tranche Period;
(d) 85% if the APBT in respect of that Tranche Period is greater than or equal to 14.75%, but less than 15% of the Net Assets in respect of that Tranche Period;
(e) 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 the financial year ended 30 June 2015, the extent to which the Financial Condition was satisfied is required to 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 2015 LTI Plan.

(ii) Non-Financial Conditions of the 2015 LTI Plan PCI

The Board set several Non-Financial Conditions in respect of the financial year ended 30 June 2015, to be satisfied before 30 June 2017. The Board weighted each of the Non-Financial Conditions so that if only some of the Non-Financial Conditions were achieved, then only that proportion of the annual maximum bonus amount equivalent to the weighting allocated to the achieved Non-Financial Conditions, would be payable. The Non-Financial Conditions for the 2015 LTI Plan PCI are different but remain complementary to those of the First Tranche of 2014 LTI Plan PCI, as set out in the 2014 Annual Report of the Company.

Before 30 September 2015:
(a) the CEO will prepare a report in respect of the year ended 30 June 2015 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 is likely to be 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 or, where relevant, the extent (expressed as a percentage) to which each weighted Non-Financial Condition is likely to be 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 2015 LTI Plan.

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

Remuneration Report (Audited) (continued)

Measure	Target	Primary Weighting	Initiatives and Conditions	Weightings of Initiatives and Conditions	Probable Achievement	Score
Franchisee inventory & supply chain management	Improvements in efficiency by franchisees in franchisee supply chain systems	15%	For franchisees to successfully implement the merchandise, inventory and supplier management system and to deliver no less than 70% of the identified benefits of the system by 30 June 2017.	100%	60%	9%
Digital	To enhance and progress the digital capabilities of Harvey Norman in key territories.	15%	An external organisation to measure the Omni Channel capabilities of the franchisees in Australia and company-operated stores in New Zealand, with the results being in the top quartile of retail organisations in each respective market in each of the years ending 30 June 2015, 30 June 2016 and 30 June 2017.	100%	80% No.8 of Top 100 in Asia Pacific Stevie Awards	12%
Improve franchisee productivity	Provide franchisees with licences to use tools to assist franchisees to improve franchisee productivity.	20%	For each franchisee to implement the Work Force Management Solution in their respective franchise by 30 November 2015.	50%	100%	10%
			For each home appliance, audio-visual, entertainment and technology franchisee to implement the Optimised Rostering solution in their respective franchise by 30 April 2016.	50%	50%	5%
TOTAL		50%				36%

(iii) Service Conditions of the 2015 LTI Plan PCI

The 2015 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.

LTI – Share Options

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 prior periods. No options were issued pursuant to the 2010 Share Option Plan during the 2015 financial year. In prior years, LTI awards to select executive directors were 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.

Remuneration Report (Audited) (continued)

As at 30 June 2015, there were 3,585,000 options over 3,585,000 shares in the Company. The options will vest over a period of three years subject to meeting performance measures and service conditions of the 2010 Share Option plan. A total of 1,884,000 options had vested prior to 30 June 2015, comprised of 1,134,000 options from the First Tranche of Options and 750,000 options from the Second Tranche of Options. Executive directors are able to exercise the options up to two years after vesting, before the options lapse, subject to the satisfaction of service conditions as outlined in the plan. 1,701,000 options from the Third Tranche of Options remain outstanding and will vest on 31 December 2015, subject to the satisfaction of service conditions.

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 were recognised as remuneration and expensed in the income statement on a straight-line basis over the vesting period of the relevant Tranche. The value recognised as remuneration in the 2015 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 2015, was $217,893 in aggregate comprised of:

- nil in respect of the First Tranche of Options (vested on 31 December 2013);
- $62,677 in respect of the Second Tranche of Options (vested on 31 December 2014); and
- $155,216 in respect of the Third Tranche of Options (to vest on 31 December 2015 subject to the conditions of the 2010 Share Option Plan).

Table 3 on page 41 of this Remuneration Report summarises the option holdings of executive directors pursuant to the 2010 Share Option Plan.

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 change of control of the Company occurs; or
- 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.

Remuneration Report (Audited) (continued)

8. Executive Remuneration Outcomes and Amounts Disclosed as Compensation to KMP in 2015

Remuneration Component	Maximum PCI Amount	Achieve-ment	Score	PCI Amount	2015 Vesting Period	2015 Remuneration Amount	2014 Remuneration Amount
2015 STI Plan PCI:							
▪ financial (20%)	$400,000	85%	17%	$340,000	1 year	$340,000	-
▪ non-financial (80%)	$1,600,000	92.5%	74%	$1,480,000		$1,480,000	-
TOTAL 100%	**$2,000,000**		**91%**	**$1,820,000**			
2014 STI Plan PCI:							
▪ financial (20%)	Awarded in					-	$240,000
▪ non-financial (80%)	FY2014					-	$1,570,000
TOTAL Short-Term PCI						**$1,820,000**	**$1,810,000**
2015 LTI Plan PCI:					Year 1		
▪ financial (50%)	$1,850,000	68%*	34%	$1,258,000	of 4	$314,285	-
▪ non-financial (50%)	$1,850,000	72%*	36%	$1,332,000	year	$332,771	-
TOTAL 100%	**$3,700,000**		**70%**	**$2,590,000**	period	**$647,056**	**-**
2014 LTI Plan PCI:					Year 2		
▪ financial (20%)	Awarded in				of 4	$167,310	$167,310
▪ non-financial (80%)	FY2014				year	$669,242	$669,242
TOTAL 100%					period	**$836,552**	**$836,552**
Total Long-Term PCI						**$1,483,608**	**$836,552**
2010 Share Option Plan:	Awarded in						
▪ First Tranche	FY2010,					-	$161,700
▪ Second Tranche	FY2011 &					$62,677	$123,660
▪ Third Tranche	FY 2012					$155,216	$155,217
TOTAL Value of Options						**$217,893**	**$440,577**

** probable achievement of the 2015 LTI Plan PCI*

Short Term Performance Cash Incentive ("PCI")

The aggregate maximum amount of STI in respect of the 2015 financial year was $2,000,000. The aggregate amount achieved of the 2015 STI Plan PCI for executive directors was $1,820,000. 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 91.0% of the performance hurdles for the 2015 STI Plan were substantially achieved and 91.0% of the aggregate maximum bonus amount became payable to executive directors, subject to service conditions. The 2015 STI Plan PCI of $1,820,000 will be paid in the 2016 financial year.

LTI Plan - Performance Cash Incentive ("PCI")

The aggregate maximum amount of LTI in respect of the 2015 financial year was $3,700,000. The probable achievement of the aggregate amount of the 2015 LTI Plan PCI, in accordance with the terms and conditions of the 2015 LTI Plan, is presently estimated to be $2,590,000 in respect of the 2015 financial year. This amount approximates 70.0% of the total aggregate maximum bonus amount of $3,700,000 in respect of the 2015 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 has estimated, based on the available evidence, that the performance hurdles for the 2015 LTI Plan PCI will be substantially achieved by the end of the vesting period and 70.0% of the aggregate maximum bonus amount will meet the performance conditions. The estimated 2015 LTI Plan PCI payable of $2,590,000 will be paid on 30 June 2018, subject to the achievement of the 2015 LTI Plan Service Conditions.

The value disclosed as remuneration for the five (5) eligible executive directors in the 2015 Remuneration Report, and accrued in the income statement for the year ended 30 June 2015, was $1,483,608 in aggregate comprised of:

- $836,552 in respect of the 2014 LTI Plan; and
- $647,056 in respect of the 2015 LTI Plan.

LTI – 2010 Share Option Plan

The value recognised as remuneration in the 2015 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 2015, was $217,893 in aggregate comprised of:

- nil in respect of the First Tranche of Options (vested on 31 December 2013);
- $62,677 in respect of the Second Tranche of Options (vested on 31 December 2014); and
- $155,216 in respect of the Third Tranche of Options (to vest on 31 December 2015 subject to the conditions of the 2010 Share Option Plan).

Remuneration Report (Audited) (continued)

9. 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 potential employment cost is $3,500,000 comprised of:
(i) fixed remuneration of $2,100,0000 per annum;
(ii) maximum STI opportunity in respect of the year ended 30 June 2015 of $520,000; and
(iii) maximum LTI opportunity in respect of the year ended 30 June 2015 of $880,000.

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

10. 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.

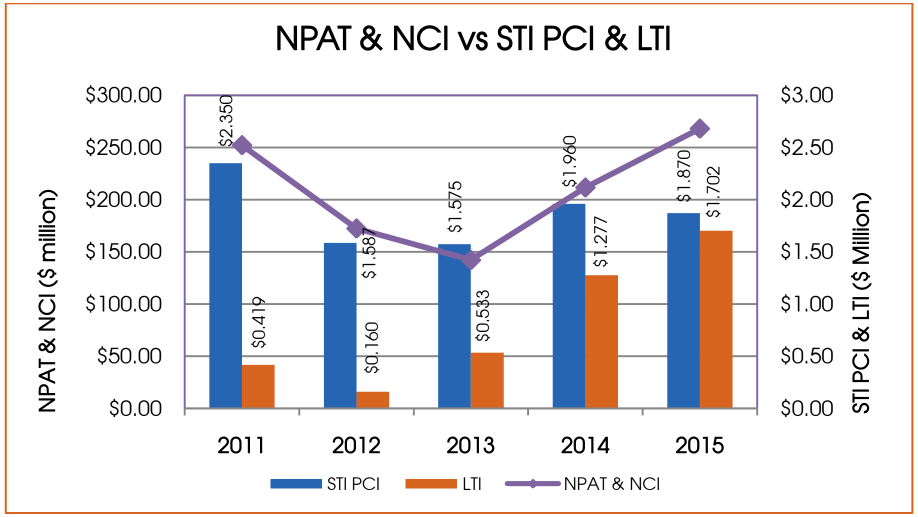
The Board will not seek any increase for the NED pool at the 2015 AGM.

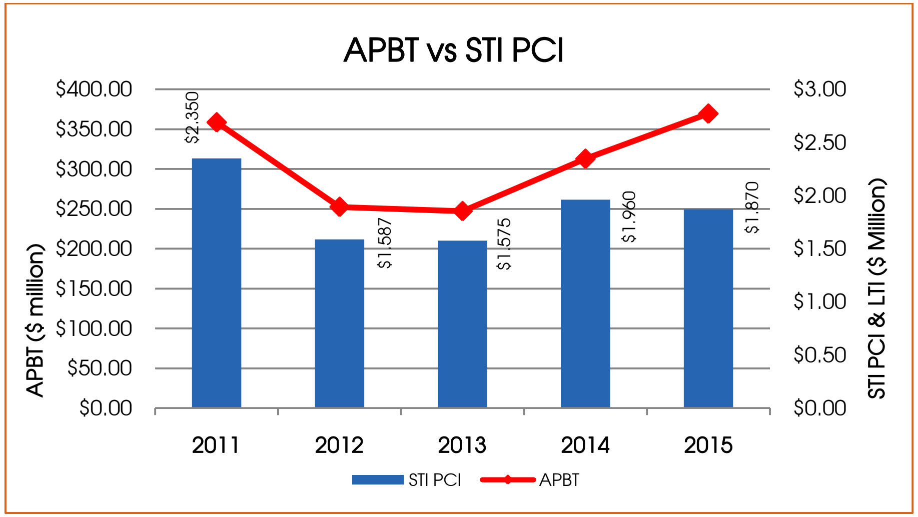
Structure
The remuneration of NEDs consists of directors' fees. NEDs do not receive retirement benefits, nor do they participate in any incentive programs. Each NED receives a fee for being a director of the Company. The structure of NED remuneration is separate and distinct from executive remuneration. The remuneration of NEDs for the year ended 30 June 2015 and 30 June 2014 are disclosed in Table 1 on page 39 of this report.

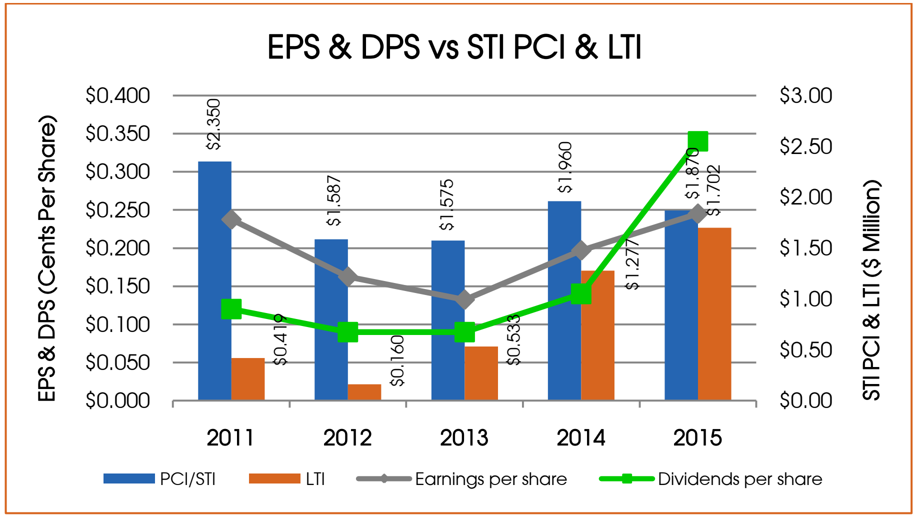
Remuneration Report (Audited) (continued)

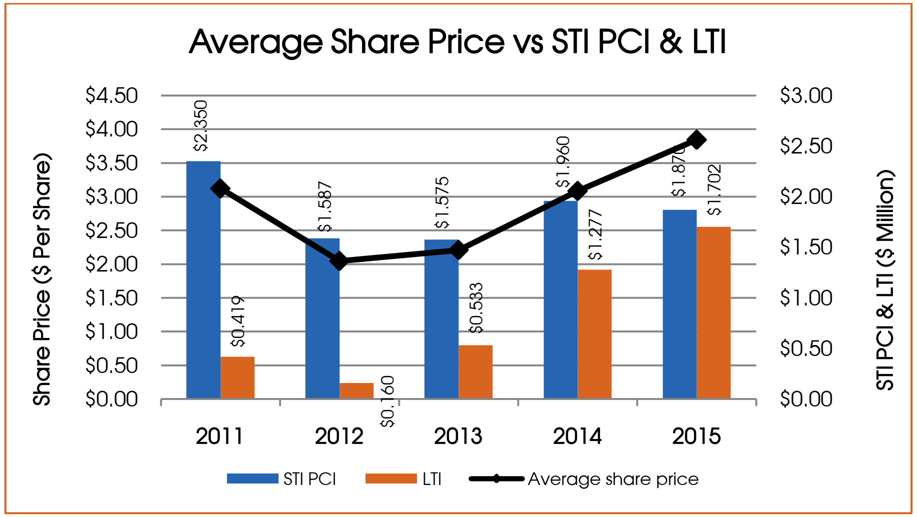
Relationship between Remuneration and the Performance of the Company (continued)

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









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

Remuneration Report (Audited) (continued)

11. Compensation of Key Management Personnel
TABLE 1: Compensation of Key Management Personnel for the Year Ended 30 June 2015 - 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	2015	720,816	254,800	10,400	-	18,783	188,458	-	-	1,193,257	-
Executive Chairman	2014	721,825	253,400	10,400	-	17,775	106,265	-	-	1,109,665	-
K.L. Page	2015	2,081,217	473,200	-	-	18,783	352,858	-	-	2,926,058	-
Executive Director / CEO	2014	2,073,491	470,600	-	8,734	17,775	198,964	-	-	2,769,564	-
J.E. Slack-Smith	2015	1,231,217	409,500	-	-	18,783	320,780	20,520	72,631	2,073,431	3.5%
Executive Director / COO	2014	1,232,225	407,250	-	-	17,775	180,876	20,537	146,859	2,005,522	7.3%
D.M. Ackery	2015	1,213,217	409,500	18,000	-	18,783	320,780	20,520	72,631	2,073,431	3.5%
Executive Director	2014	1,214,225	407,250	18,000	-	17,775	180,876	20,237	146,859	2,005,222	7.3%
C. Mentis	2015	876,166	273,000	-	55,051	18,783	300,732	14,603	72,631	1,610,966	4.5%
Executive Director / CFO	2014	880,291	271,500	-	51,934	17,775	169,571	14,672	146,859	1,552,602	9.5%
M.J. Harvey	2015	54,795	-	-	-	5,205	-	-	-	60,000	-
Non-Executive Director	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
C.H. Brown	2015	109,589	-	-	-	10,411	-	-	-	120,000	-
Non-Executive Director	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
I.J. Norman	2015	-	-	-	-	-	-	-	-	-	-
Non-Executive Director	2014	18,306	-	-	-	1,694	-	-	-	20,000	-
K.W. Gunderson-Briggs	2015	109,589	-	-	-	10,411	-	-	-	120,000	-
Non-Executive Director	2014	114,920	-	-	-	5,080	-	-	-	120,000	-
G.C.Paton	2015	109,589	-	-	-	10,411	-	-	-	120,000	-
Non-Executive Director	2014	109,840	-	-	-	10,160	-	-	-	120,000	-
TOTAL	2015	6,506,195	1,820,000	28,400	55,051	130,353	1,483,608	55,643	217,893	10,297,143	2.1%
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%

(a) Table 1 includes the accrual for long service leave entitlements in respect of the years ended 30 June 2015 and 30 June 2014. 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.
(b) The listed Parent Company, Harvey Norman Holdings Limited, does not have any employees.

Remuneration Report (Audited) (continued)

12. Additional Disclosures Relating to Options and Shares
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 2015 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 Vested During the Year (b)		Unvested Options at 30 June 2015 (c)		Remaining Unexercised Options at 30 June 2015 (d)	
	Grant Date	Grant Number	Value per option $	Total Value of Options Granted During Year $	First Exercise Date	Last Exercise Date	Number of Options Vested During Year	Total Value of Options Vested During Year $	Number of Unvested Options	Total Value of Unvested Options $	Remaining Unexercised Options	Value of Remaining Unexercised Options $
J.E. Slack-Smith	-	-	-	-	-	-	250,000	127,500	567,000	159,894	378,000	328,860
D.M. Ackery	-	-	-	-	-	-	250,000	127,500	567,000	159,894	378,000	328,860
C. Mentis	-	-	-	-	-	-	250,000	127,500	567,000	159,894	378,000	328,860
TOTAL		-		-			750,000	382,500	1,701,000	479,682	1,134,000	986,580

Movement in option holdings during the year ended 30 June 2015:

(a) There were no share options issued pursuant to the 2010 Share Option Plan during the 2015 financial year.

(b) 250,000 options over 250,000 shares granted to each of D.M. Ackery, C. Mentis and J.E. Slack-Smith, a total of 750,000 options over 750,000 shares, previously granted on 29 November 2011 ("Second Tranche of Options") vested on 31 December 2014. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.51 per option, totalling $382,500, and may be exercised from 1 January 2015 to 30 June 2017.

(c) 567,000 options over 567,000 shares granted to each of D.M. Ackery, C. Mentis and J.E. Slack-Smith, a total of 1,701,000 options over 1,701,000 shares, previously granted on 29 November 2012 ("Third Tranche of Options") remain unvested as at 30 June 2015 and will vest on 31 December 2015 subject to the satisfaction of performance conditions, including service conditions. 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, totalling $479,682, and may be exercised from 1 January 2016 to 30 June 2018.

(d) 378,000 options over 378,000 shares granted to each of D.M. Ackery, C. Mentis and J.E Slack-Smith, a total of 1,134,000 options over 1,134,000 shares, previously granted on 29 November 2010 ("First Tranche of Options") are exercisable by each participant. None of the options in the First Tranche of Options have been exercised during the 2015 financial year. 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, totalling $986,580.

Remuneration Report (Audited) (continued)

TABLE 3: Option Holdings of Key Management Personnel for the Year Ended 30 June 2015

30 June 2015	1 July 2014 Balance at Beginning of Year	Granted as Remuneration	Options Exercised	Net Change Other	30 June 2015 Balance at End of Year	Vested at 30 June 2015 (a) Total	Exercisable	Not Exercisable
G. Harvey	-	-	-	-	-	-	-	-
K.L. Page	-	-	-	-	-	-	-	-
J.E. Slack-Smith	1,195,000	-	-	-	1,195,000	628,000	628,000	-
D.M. Ackery	1,195,000	-	-	-	1,195,000	628,000	628,000	-
C. Mentis	1,195,000	-	-	-	1,195,000	628,000	628,000	-
M.J. Harvey	-	-	-	-	-	-	-	-
C.H. Brown	-	-	-	-	-	-	-	-
K.W. Gunderson-Briggs	-	-	-	-	-	-	-	-
G.C. Paton	-	-	-	-	-	-	-	-
Executives								
T.J. Scott	-	-	-	-	-	-	-	-
G.I. Dingwall	-	-	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-	-	-
G. Van Der Vegt	-	-	-	-	-	-	-	-
H.I. Myers	-	-	-	-	-	-	-	-
R. Nelson	-	-	-	-	-	-	-	-
	3,585,000	-	-	-	3,585,000	1,884,000	1,884,000	-

Options Vested as at 30 June 2015:

- First Tranche of Options: 378,000 options over 378,000 shares granted to each of D.M. Ackery, C. Mentis and J.E. Slack-Smith, a total of 1,134,000 options over 1,134,000 shares, previously granted on 29 November 2010 are exercisable by each participant. None of the options in the First Tranche of Options have been exercised during the 2015 financial year. 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, totalling $986,580.
- Second Tranche of Options: 250,000 options over 250,000 shares granted to each of D.M. Ackery, C. Mentis and J.E. Slack-Smith, a total of 750,000 options over 750,000 shares, previously granted on 29 November 2011 ("Second Tranche of Options") vested on 31 December 2014. None of the options in the Second Tranche of Options have been exercised during the 2015 financial year. These options were independently valued by Mercer (Australia) Pty Limited at grant date utilising the assumptions underlying the Black-Scholes methodology at $0.51 per option, totalling $382,500, and may be exercised from 1 January 2015 to 30 June 2017.

Post balance date movements in option holdings (from 1 July 2015):

- On 1 September 2015, D.M. Ackery exercised 378,000 options over 378,000 shares in respect of the First Tranche of Options at the exercise price of $3.0218 per option. The total consideration paid by D.M. Ackery was $1,142,240. D.M. Ackery has exercised his full entitlement to the vested shares in respect of the First Tranche of Options.
- On 1 September 2015, C. Mentis exercised 378,000 options over 378,000 shares in respect of the First Tranche of Options at the exercise price of $3.0218 per option. The total consideration paid by C. Mentis was $1,142,240. C. Mentis has exercised his full entitlement to the vested shares in respect of the First Tranche of Options.
- As at the date of this report, there are 378,000 remaining unexercised options in respect of the First Tranche of Options.

Remuneration Report (Audited) (continued)

TABLE 4: Shareholdings of Key Management Personnel for the Year Ended 30 June 2015

30 June 2015 Directors	Balance at Beginning of Period 1 July 2014	Granted as Remuneration	Renounceable Rights Offer (a)	On Exercise of Options	Net Change Other	Balance at End of Period 30 June 2015
G. Harvey	313,484,571	-	15,706,710	-	-	329,191,281
K.L. Page	16,995,133	-	772,509	-	-	17,767,642
J.E. Slack-Smith	259,999	-	11,819	-	-	271,818
D.M. Ackery	146,667	-	6,667	-	-	153,334
C. Mentis	18,500	-	841	-	-	19,341
M.J. Harvey	2,845,553	-	129,344	-	-	2,974,897
C.H. Brown	175,353,127	-	7,970,599	-	-	183,323,726
K.W. Gunderson-Briggs	3,000	-	137	-	-	3,137
G.C. Paton	15,000	-	682	-	-	15,682
Executives						
T.J. Scott	-	-	-	-	6,850	6,850
G.I. Dingwall	-	-	-	-	-	-
M.L. Anderson	-	-	-	-	-	-
G. Van Der Vegt	-	-	-	-	-	-
H.I. Myers	-	-	-	-	-	-
R. Nelson	-	-	-	-	-	-
	509,121,550	-	24,599,308	-	6,850	533,727,708

(a) Renounceable Rights Offer: December 2014

On 25 November 2014, Harvey Norman Holdings Limited ("the Company") announced a fully underwritten, pro-rata renounceable entitlement offer of new HVN ordinary shares to existing shareholders, consisting of an offer to Eligible Shareholders to subscribe for 1 New Share for every 22 existing HVN ordinary shares held on the Record Date of 7:00 pm (Sydney time) on Tuesday 2 December 2014 at the Offer Price of $2.50 per New Share. The Entitlement Offer closed at 5:00pm on 15 December 2014 and resulted in the allotment of 48,287,127 New Shares in the Company on 22 December 2014, comprised of 46,823,869 (approximately 97%) fully paid ordinary shares subscribed by existing shareholders and 1,463,258 (approximately 3%) allocated to the underwriter, Patersons Securities Limited. The Entitlement Offer raised $120.72 million in equity to assist the Company in achieving its capital management objectives.

Directors of the Company subscribed for their full entitlement to offer resulting in the allotment of 23,136,050 New Shares to the Directors during the 2015 financial year. The underwritten amount, being the balance of 1,463,258 New Shares, was fully sub-underwritten by Evitorn Pty Limited, ATF Harvey 2014 Share Trust, an entity associated with Mr. G. Harvey, Executive Chairman of the Company. A total of 24,599,308 New Shares were allotted to the Directors of the Company pursuant to the Entitlement Offer.

(b) Post balance date movements in shareholdings (from 1 July 2015):

- On 31 August 2015, G. Harvey Nominees Pty Limited, a company associated with G. Harvey, acquired 460,000 shares in the Company, on-market, for an average consideration of $4.3069 per share or $1,981,174 in total;
- On 1 September 2015, D.M. Ackery exercised 378,000 options in respect of the First Tranche of Options at the exercise price of $3.0218 per option or $1,142,240 in total. 378,000 new shares in the Company were issued pursuant to this transaction. On 2 September 2015, D.M. Ackery sold 328,000 shares in the Company, on-market, for an average sale price of $4.1888 per share or $1,373,926 in total;

Remuneration Report (Audited) (continued)

- On 1 September 2015, C. Mentis exercised 378,000 options in respect of the First Tranche of Options at the exercise price of $3.0218 per option or $1,142,240 in total. 378,000 new shares in the Company were issued pursuant to this transaction. On 2 September 2015, C. Mentis sold 299,000 shares in the Company, on-market, for an average sale price of $4.1888 per share or $1,252,451 in total and transferred 79,000 shares in the Company to Prey Mantis Pty Limited (interest held by Prey Mantis Pty Limited as trustee for The Mentis Family Superannuation Fund) on 3 September 2015;
- Between 2 and 29 September 2015, Evitorn Pty Limited, a company associated with G. Harvey, acquired 2,238,168 shares in the Company, on-market, for an average consideration of $4.0288 per share or $9,017,126 in total; and
- On 4 September 2015, K Page Pty Limited, a company associated with K.L. Page, acquired 150,000 shares in the Company, on-market, for an average consideration of $3.9674 per share or $595,110 in total.

TABLE 5: Compensation of Key Management Personnel for the Year Ended 30 June 2015 – 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	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
General Manager: Domayne	2014	511,639	-	21,162	-	17,775	-	8,527	-	559,103	-
M.L. Anderson	**2015**	**345,875**	**-**	**-**	**25,200**	**20,562**	**-**	**5,765**	**-**	**397,402**	**-**
General Manager: Advertising	2014	346,011	-	-	17,454	19,554	-	5,767	-	388,786	-
G.I. Dingwall	**2015**	**399,700**	**-**	**-**	**-**	**18,783**	**-**	**6,662**	**-**	**425,145**	**-**
General Manager: IT / CIO	2014	341,500	50,000	-	-	17,775	-	5,692	-	414,967	-
T.J. Scott	**2015**	**496,992**	**50,000**	**-**	**-**	**18,783**	**-**	**8,283**	**-**	**574,058**	**-**
General Manager: Property	2014	498,000	100,000	-	-	17,775	-	8,300	-	624,075	-
G. Van Der Vegt	**2015**	**398,819**	**-**	**-**	**38,200**	**18,783**	**-**	**6,647**	**-**	**462,449**	**-**
General Manager: Technology and Entertainment	2014	-	-	-	-	-	-	-	-	-	-
H.I. Myers	**2015**	**350,789**	**-**	**-**	**41,013**	**18,783**	**-**	**5,846**	**-**	**416,431**	**-**
General Manager: Home Appliances	2014	-	-	-	-	-	-	-	-	-	-
R. Nelson	**2015**	**340,217**	**-**	**-**	**-**	**18,783**	**-**	**5,670**	**-**	**364,670**	**-**
General Manager: Audio Visual	2014	-	-	-	-	-	-	-	-	-	-
TOTAL KEY MANAGEMENT PERSONNEL 2015		**2,332,392**	**50,000**	**-**	**104,413**	**114,477**	**-**	**38,873**	**-**	**2,640,155**	**-**
TOTAL KEY MANAGEMENT PERSONNEL 2014		1,697,150	150,000	21,162	17,454	72,879	-	28,286	-	1,986,931	-

Remuneration Report (Audited) (continued)

13. 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.
2015						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-
2014						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-

Terms and Conditions of Loans
No new loans were granted to key management personnel during the year ended 30 June 2015.

(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.
2015						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-
2014						
Directors	-	-	-	-	-	-
Executives	-	-	-	-	-	-

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

		CONSOLIDATED 2015 $	2014 $
(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 Nominees Pty Limited (C.H. Brown), M.J. Harvey and G. Harvey. Interest is payable at commercial rates. These loans are unsecured and repayable at call.	**78,971,701**	41,121,199
	Net amounts received from entities associated with the above mentioned directors and their related parties.	**37,850,502**	14,747,161
	Interest paid/payable	**2,184,095**	1,121,107
(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.	**2,250,426**	2,523,610
(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 I.J. Norman Nominees Pty Limited (C.H. Brown) 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:	**4,415,125**	4,258,918
(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:	**1,379,049**	1,492,480

Remuneration Report (Audited) (continued)

Other Transactions and Balances with KMP and their related parties (continued)

(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 2015 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 2015 was $2.03 million each (2014: $1.84 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 2015, 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 $0.40 million (2014: $0.73 million). There were no additional capital contributions made by either the GH entity or a subsidiary of Harvey Norman Holdings Limited to the Byron Bay JV during the 2015 financial year (2014: $0.13 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 $0.10 million for the year ended 30 June 2015 (2014: $0.09 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).

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 $0.70 million for the year ended 30 June 2015 (2014: $0.68 million). The Michael Harvey Entity is entitled to one eighth of the rental and outgoings paid by the G.C. Lessee amounting to $0.35 million for the year ended 30 June 2014 (2014: $0.34 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 $1.35 million for the year ended 30 June 2015 (2014: $1.43 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 $0.68 million for the year ended 30 June 2015 (2014: $0.71 million).

(viii) *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 $2.35 million as at 30 June 2015 (2014: $2.75 million). The consolidated entity received dividends from Gazal Corporation Limited amounting to $0.17 million for the year ended 30 June 2015 (2014: $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 the value of $0.005 million to Gazal Corporation Limited. The value of the shopfitting sales to Gazal was nil for the year ended 30 June 2015. 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.

During the year ended 30 June 2015, wholly-owned subsidiaries of Harvey Norman Holdings Limited, leased two premises to Gazal Corporation Limited on normal commercial terms amounting to $1.10 million (2014: $1.06 million).

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 2015 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 air conditioning and solar energy:

Air Conditioning
The major air conditioning replacement program has progressed substantially during the 2015 financial year. At one site, where before and after detailed analysis of electricity consumption was performed, the effect of the replacement of air conditioning plant was a greater than 10% kilowatt hour saving at the site, worth more than 200 tonnes of carbon dioxide equivalent.

Approximately twelve (12) sites were refurbished in the past financial year.

Solar Energy
The consolidated entity has approved funding for a trial of the use of solar panel systems on a number of owned retail complexes. The first of these sites have been identified and the installations are progressing in October and November 2015. The purpose of these trials it to assess the impact that solar systems have on the consumption and demand for electricity and the operating costs of the retail complex in which they are installed.

Actions of Franchisees

The consolidated entity remains 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 improved on their waste management performance and offering to customers during the 2015 financial year as follows:

Waste Stream	Percentage Improvement During 2015 Financial Year	Description
e-Waste Recycling	72%	Service offered at most franchised complexes in Australia.
Mattress Recycling	> 100%	Partnership with Mission Australia expanding across franchised complexes.
Polystyrene Recycling	18%	Waste stream separated at more than 80% of franchised complexes.
Cardboard and Plastic Recycling	1%	Available at all franchised complexes.
Recycling as a percentage of franchised complex waste (excluding the above initiatives)	Approximately 40%	
Plastic Bag Usage by Customers	Down by 57%	

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 2015 are as follows:

- Tax compliance services $189,238 (2014: $181,260);
- Other services $129,512 (2014: $76,814)

Auditor Independence and Non-Audit Services

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

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
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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 2015, 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 2015

Signed in accordance with a resolution of directors.

G. HARVEY
Executive Chairman
Sydney
30 September 2015

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2015

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 disclose the respective roles and responsibilities of its Board and senior executives and those matters expressly reserved to the Board and those delegated to senior executives.	Yes		Pages 51-53	ASX CGC 1.1
1.2	Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information relevant to a decision for the election or re-election of a director.	Yes		Page 53	ASX CGC 1.2
1.3	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes		Page 37	ASX CGC 1.3
1.4	The company secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Yes			ASX CGC 1.4
1.5	Companies should have a diversity policy which includes requirements for the Board, or a relevant committee of the Board, to set measureable objectives for achieving gender diversity and to assess annually both the objectives and the company's progress in achieving them. Companies should disclose this policy, or a summary of it, and its progress achieved at the end of each reporting period. Companies should disclose the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation.	Yes		Pages 57-58	ASX CGC 1.5
1.6	Companies should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes		Pages 25-27	ASX CGC 1.6
1.7	Companies should have and disclose a process for periodically evaluating the performance of its senior executives and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes		Pages 25-28	ASX CGC 1.7
Principle 2 – Structure the Board to add value					
2.1	The Board should establish a nomination committee, structured as follows:	Yes		Page 53	ASX CGC 2.1
	▪ has at least three members, a majority of whom are independent directors; and	Yes			
	▪ is chaired by an independent director		No		
	and disclose:				
	▪ the charter of the committee;	Yes			
	▪ the members of the committee; and	Yes			
	▪ as at the end of the reporting period, the number of times the committee met and the individual attendances of the members at those meetings.	Yes			
2.2	Companies should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes		Refer to Nomination Committee Charter on website	ASX CGC 2.2
2.3	Companies should disclose the names of the independent directors of the Board, the factors relevant to assessing the independence of a director and the length of service of each director.	Yes		Page 53	ASX CGC 2.3
2.4	A majority of the Board should be independent directors.		No	Pages 52-53	ASX CGC 2.4

Recommendation		Comply Yes	Comply No	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
2.5	The chair of the Board should be an independent director and, in particular, should not be the same person as the CEO of the Company.		No	Pages 52-53	ASX CGC 2.5
2.6	Companies should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes			ASX CGC 2.6
Principle 3 – Act ethically and responsibly					
3.1	Companies should establish a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	Yes		Please refer to the website of the Company.	ASX CGC 3.1
Principle 4 – Safeguard integrity in corporate reporting					
4.1	The Board should establish an audit committee, structured as follows:	Yes		Page 54	ASX CGC 4.1
	▪ has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Yes			
	▪ is chaired by an independent director, who is not the chair of the Board,	Yes			
	and disclose:				
	▪ the charter of the committee;	Yes			
	▪ the relevant qualifications and experience of the members of the committee; and	Yes			
	▪ as at the end of the reporting period, the number of times the committee met and the individual attendances of the members at those meetings.	Yes			
4.2	The Board should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes		Page 55	ASX CGC 4.2
4.3	A Company that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes			ASX CGC 4.3
Principle 5 – Make timely and balanced disclosures					
5.1	Companies should establish written policies for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	Yes		Please refer to the website of the Company.	ASX CGC 5.1
Principle 6 – Respect the rights of security holders					
6.1	Companies should provide information about itself and its governance to investors via its website.	Yes			ASX CGC 6.1
6.2	Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes			ASX CGC 6.2
6.3	Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes			ASX CGC 6.3
6.4	Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes			ASX CGC 6.4

Recommendation		Comply Yes	Comply No	Reference/ Explanation in Annual Report	ASX Listing Rule/ Recommendation
Principle 7 – Recognise and manage risk					
7.1	The Board should establish a committee or committees to oversee risk, each of which:	Yes		Pages 54-55	ASX CGC 7.1
	▪ has at least three members, a majority of whom are independent directors; and		No		
	▪ is chaired by an independent director,		No		
	and disclose:				
	▪ the charter of the committee;	Yes			
	▪ the members of the committee; and	Yes			
	▪ as at the end of the reporting period, the number of times the committee met and the individual attendances of the members at those meetings.	Yes			
7.2	The Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.	Yes		Pages 54-55	ASX CGC 7.2
7.3	Companies should disclose if it has an internal audit function, how the function is structured and what role it performs.	Yes		Page 55	ASX CGC 7.3
7.4	Companies should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes			ASX CGC 7.4
Principle 8 – Remunerate fairly and responsibly					
8.1	The Board should establish a remuneration committee, structured as follows:	Yes		Pages 55-56	ASX CGC 8.1
	▪ has at least three members, a majority of whom are independent directors; and	Yes			
	▪ is chaired by an independent director,		No		
	and disclose:				
	▪ the charter of the committee;	Yes			
	▪ the members of the committee; and	Yes			
	▪ as at the end of the reporting period, the number of times the committee met and the individual attendances of the members at those meetings.	Yes			
8.2	Companies should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes		Pages 25-37 & 55-56,	ASX CGC 8.2
8.3	Companies which have an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.	Yes		Pages 25-37	ASX CGC 8.3

	ASX Listing Rule / Recommendation
The corporate governance practices of the Company were in place throughout the year ended 30 June 2015.	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

ASX Listing Rule / Recommendation

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 2.2

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 2.3

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

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 2.5

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.

	ASX Listing Rule/ Recommendation
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.	
The term in office held by each director in office at the date of this report is as follows:	ASX CGC 2.3

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 1.6, ASX CGC 1.7

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.

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 for the year ended 30 June 2015. — ASX CGC 2.1

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. For additional details regarding the nomination committee including its charter please refer to the website of the Company.

ASX Listing Rule/ Recommendation

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 4.1

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.

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.

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, and has appointed a Chief Risk Officer to collate, monitor, evaluate and report material risks to the Board.

The Board recognises the Corporate Governance Council's recommendation that the Chair should be an independent director and that the committee should consist of a majority of independent directors. The Board considers that the frequent reporting to the Audit Committee by both the Chairman of the risk committee and the Chief Risk Officer (the latter as private reporting) provides an adequate and appropriate level of involvement by the independent directors in the risk management function.

The risk committee is not comprised of a majority of independent directors and is not chaired by an independent director. The risk committee is comprised by four executive directors, including the CEO and CFO. The Chief Risk Officer is required to attend all meetings of the risk committee to inform and assist members of the risk committee to carry out its functions. Each of the chairman of the risk committee and the Chief Risk Officer regularly attends meetings of the audit committee to inform members of the audit committee of risk matters considered by the risk committee. The chairman of the risk committee regularly gives reports to the Board of the Company about matters considered by the risk committee.

The Board, in conjunction with the Chief Risk Officer, oversees an annual assessment of the effectiveness of risk management and control. The tasks of undertaking and assessing risk management are delegated to the Chief Risk Officer through the Chief Executive Officer, including responsibility for the day to day design and implementation of the risk management system of the Company. The Chief Risk Officer reports to the Board on the key risks of the Company and the extent to which it believes these risks are being adequately managed. ASX CGC 7.2

	ASX Listing Rule/ Recommendation
The Chief Risk Officer 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. The Chief Risk Officer 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. (i) 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.	
Internal Audit 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. The Board has appointed a Head of Internal Audit to monitor and assess the internal control environment of the Company. The tasks of undertaking and assessing internal control effectiveness are delegated to the Head of Internal Audit through the Chief Executive Officer, including responsibility for the day to day design and implementation of the internal control system of the Company. The Head of Internal Audit reports to the Board on the key internal controls of the Company and the extent to which it believes these the controls are effective. 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	ASX CGC 7.3
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: (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.	ASX CGC 4.2
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: (i) Retention and motivation of key executives.	ASX CGC 8.1 ASX CGC 8.2

	ASX Listing Rule/ Recommendation
(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. There is no scheme to provide retirement benefits to non-executive directors.	
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.	
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.	ASX CGC 6.3
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.	ASX CGC 6.3
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).	ASX CGC 6.1
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.	ASX CGC 4.3

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 2015 women represent 43.06% of total employees of the Company (2014: 41.63%), 28.71% of employees in senior executive positions (2014: 25.81%) and 11.11% of the Board (2014: 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 2015, the following measures, targets and initiatives were undertaken in accordance with the diversity objectives of the consolidated entity:

1) The Diversity and Reconciliation Intranet page was developed in March 2015 making information and resources available on Key Diversity Areas; Gender, Culture, Generational & Mature Age, Disability and Family & Work-life Balance.
2) Conducted the 2015 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.
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 2015 and analyse data to assess whether a gender pay gap exists in the company.

Diversity Measures, Targets and Initiatives (continued)

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) Re-released the Cultural Awareness Module in April 2015, this mandatory e-Learning module within the LMS, is an annual module that promotes cultural awareness throughout the consolidated entity.
10) Conducted the annual "Taste of Harmony" event in March 2015 to raise awareness of cultural diversity in the workplace. In addition, money raised as part of this annual diversity event was once again donated to "Fitted for Work" a local charity with a mission statement to "help women experiencing disadvantage get work and keep it"
11) The business participated in "NRL All Stars Youth Summit" and career expo in February 2015 with a view to establish and develop relationships with younger members of the indigenous community and assist in their journey of attaining education and employment.
12) 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, this year the consolidated entity has worked with Australian Indigenous Mentoring Experience ("AIME") to offer employment opportunities to Indigenous Australians through regular communication of the vacant career opportunities, issuing career booklets .
13) In addition, through AIME and the consolidated entity's "Windows to the Future Program", saw several franchisees attend universities to share their career story to indigenous students across Australia.
14) Continue to develop systems to enable regular reporting and assessment of progress towards the adopted gender diversity objectives.
15) Wherever possible include:
    a. At least one female on a short list of all applicants for all senior management roles; and
    b. At least one female in the selection panel for all senior management roles.

Statement of Financial Position as at 30 June 2015

	NOTE	Consolidated June 2015 $000	June 2014 $000
Current Assets			
Cash and cash equivalents	28(a)	**185,840**	144,957
Trade and other receivables	6	**1,142,551**	1,062,284
Other financial assets	7	**26,148**	21,596
Inventories	8	**298,381**	297,670
Other assets	9	**23,072**	23,010
Intangible assets	10	**476**	541
Total current assets		**1,676,468**	1,550,058
Non-Current Assets			
Trade and other receivables	11	**71,815**	64,526
Investments accounted for using equity method	37	**21,425**	24,912
Other financial assets	12	**16,570**	16,176
Property, plant and equipment	13	**552,603**	569,057
Investment properties	14	**1,935,936**	1,903,504
Intangible assets	15	**83,727**	77,898
Total non-current assets		**2,682,076**	2,656,073
Total Assets		**4,358,544**	4,206,131
Current Liabilities			
Trade and other payables	16	**813,474**	740,681
Interest–bearing loans and borrowings	17	**408,438**	469,872
Income tax payable		**34,807**	24,142
Other liabilities	18	**2,870**	2,043
Provisions	19	**23,490**	25,494
Total current liabilities		**1,283,079**	1,262,232
Non-Current Liabilities			
Interest-bearing loans and borrowings	20	**290,000**	238,094
Provisions	19	**12,249**	10,293
Deferred income tax liabilities	5(d)	**198,728**	188,980
Other liabilities	22	**17,628**	15,426
Total non-current liabilities		**518,605**	452,793
Total Liabilities		**1,801,684**	1,715,025
NET ASSETS		**2,556,860**	2,491,106
Equity			
Contributed equity	23	**380,328**	259,610
Reserves	24	**113,290**	102,735
Retained profits	25	**2,043,463**	2,109,032
Parent entity interests		**2,537,081**	2,471,377
Non-controlling interests	26	**19,779**	19,729
TOTAL EQUITY		**2,556,860**	2,491,106

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

Income Statement for the year ended 30 June 2015

	NOTE	Consolidated June 2015 $000	June 2014 $000
Sales revenue	3	1,617,151	1,513,662
Cost of sales		(1,126,894)	(1,064,892)
Gross profit		490,257	448,770
Revenues and other income items	3	1,101,286	1,033,624
Distribution expenses		(18,744)	(15,114)
Marketing expenses		(370,124)	(348,952)
Occupancy expenses	4	(229,081)	(233,881)
Administrative expenses	4	(447,198)	(427,604)
Other expenses from ordinary activities		(124,082)	(136,846)
Finance costs	4	(32,872)	(36,437)
Share of equity accounted entities:			
- Share of net profit of joint venture entities	37	8,658	17,501
Profit before income tax		378,100	301,061
Income tax expense	5(a) & 5(c)	(109,186)	(88,823)
Profit after tax		268,914	212,238
Attributable to:			
Owners of the Parent		268,095	211,695
Non-controlling interests		819	543
		268,914	212,238
Earnings Per Share:			
Basic earnings per share (cents per share)	27	24.51 cents	19.69 cents*
Diluted earnings per share (cents per share)	27	24.48 cents	19.68 cents*
Dividends per share (cents per share)		20.0 cents	14.0 cents
Special dividend per share (cents per share)		14.0 cents	-

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

* Basic and diluted earnings per share for the 2014 financial year was restated pursuant to the shares issued under the Renounceable Rights Offer in December 2014.

Statement of Comprehensive Income for the year ended 30 June 2015

	Consolidated	
	June 2015 $000	June 2014 $000
Profit for the year	**268,914**	212,238
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	**(3,560)**	28,529
Net fair value gains on available-for-sale investments	**1,302**	829
Net movement on cash flow hedges	**4,699**	3,857
Income tax effect on net movement on cash flow hedges	**(1,406)**	(1,143)
Items that will not be reclassified subsequently to profit or loss		
Fair value revaluation of land and buildings	**13,115**	27,969
Income tax effect on fair value revaluation of land and buildings	**(2,055)**	(8,624)
Other comprehensive income for the year (net of tax)	**12,095**	51,417
Total comprehensive income for the year (net of tax)	**281,009**	263,655
Total comprehensive income attributable to:		
- Owners of the Parent	**278,433**	259,524
- Non-controlling interests	**2,576**	4,131
	281,009	263,655

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 2015

	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 2014	259,610	2,109,032	91,184	23,846	7,279	(6,110)	8,587	(22,051)	19,729	**2,491,106**
Other comprehensive income:										
Revaluation of land and buildings	-	-	11,060	-	-	-	-	-	-	**11,060**
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	12	-	-	-	**12**
Currency translation differences	-	-	-	(5,317)	-	-	-	-	1,757	**(3,560)**
Fair value of interest rate swaps	-	-	-	-	-	3,255	-	-	-	**3,255**
Fair value of forward foreign exchange contracts	-	-	-	-	-	26	-	-	-	**26**
Fair value of available for sale financial assets	-	-	-	-	1,302	-	-	-	-	**1,302**
Other comprehensive income	-	-	11,060	(5,317)	1,302	3,293	-	-	1,757	**12,095**
Profit for the year	-	268,095	-	-	-	-	-	-	819	**268,914**
Total comprehensive income for the year	**-**	**268,095**	**11,060**	**(5,317)**	**1,302**	**3,293**	**-**	**-**	**2,576**	**281,009**
Cost of share based payments	-	-	-	-	-	-	217	-	-	**217**
Shares issued pursuant to Renounceable Rights Offer	120,718	-	-	-	-	-	-	-	-	**120,718**
Dividends paid	-	(333,664)	-	-	-	-	-	-	(60)	**(333,724)**
Distribution to members	-	-	-	-	-	-	-	-	(2,466)	**(2,466)**
At 30 June 2015	**380,328**	**2,043,463**	**102,244**	**18,529**	**8,581**	**(2,817)**	**8,804**	**(22,051)**	**19,779**	**2,556,860**

Statement of Changes in Equity for the year ended 30 June 2015 (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 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 Cash Flows for the year ended 30 June 2015

	NOTE	CONSOLIDATED June 2015 $000	June 2014 $000
Cash Flows from Operating Activities		Inflows/(Outflows)	
Net receipts from franchisees		830,844	871,251
Receipts from customers		1,707,259	1,590,489
Payments to suppliers and employees		(2,056,114)	(1,994,315)
Distributions received from joint ventures		13,905	15,512
GST paid		(43,258)	(39,087)
Interest received		8,657	8,874
Interest and other costs of finance paid		(33,059)	(36,583)
Income taxes paid		(89,284)	(78,626)
Dividends received		1,498	1,420
Net Cash Flows From Operating Activities	28(b)	340,448	338,935
Cash Flows used in Investing Activities			
Payments for purchases of property, plant and equipment and intangible assets		(55,012)	(64,970)
Payments for purchase of investment properties		(15,828)	(54,665)
Proceeds from sale of property, plant and equipment and properties held for resale		7,152	10,459
Payments for purchase of units in unit trusts		(395)	(106)
Payments for purchase of equity accounted investments		(4)	(2,608)
Proceeds from sale of listed securities		1,477	134
Payments or purchase of listed securities		(4,048)	-
Loans granted to other entities		(15,145)	(1,361)
Net Cash Flows Used In Investing Activities		(81,803)	(113,117)
Cash Flows used in Financing Activities			
Proceeds from Renounceable Rights Offer		120,718	-
Payments for purchase of shares in controlled entities		-	(22,618)
Repayments of Syndicated Facility and Syndicated Working Capital Facility		(52,000)	(122,855)
Dividends paid		(333,664)	(111,543)
Loans repaid from related parties		37,153	19,925
Proceeds from other borrowings		7,196	1,878
Net Cash Flows Used In Financing Activities		(220,597)	(235,213)
Net Increase / (Decrease) in Cash and Cash Equivalents		38,048	(9,395)
Cash and Cash Equivalents at Beginning of the Year		115,172	124,567
Cash and Cash Equivalents at End of the Year	28(a)	153,220	115,172

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 2015 was authorised for issue in accordance with a resolution of the directors on 29 September 2015.

(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 2015. For details on the impact of future accounting standards, refer to page 78.

(d) Summary of Significant Accounting Policies

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

The accounting policies adopted are consistent with those of the previous financial year except as discussed below.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretation as of 1 July 2014:

- AASB 1031 Materiality
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting (AASB 139)
- AASB 2013-5 Amendments to Australian Accounting Standards -Investment Entities (AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139)

The adoption of these Australian Accounting Standards and AASB Interpretations is described below. The adoption of the below amendments did not have a material impact on the financial position or performance of the consolidated entity.

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 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.

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.

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

AASB 2013-5 Amendments to Australian Accounting Standards -Investment Entities (AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139)
These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 Business Combinations when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.

(ii) Significant accounting judgements, estimates and assumptions
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. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting judgements:

Operating lease commitments – consolidated entity as lessor

The entity has entered into commercial property leases on its investment property portfolio. The entity has determined, based on an evaluation of the terms and conditions of the arrangements, 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. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and the level of future taxable profits.

Significant accounting estimates and assumptions:

The key estimates and assumptions at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period, are described below. The consolidated entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the consolidated entity. Such changes are reflected in the assumptions when they occur.

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 key assumptions used to determine the fair value of the investment properties, and the relevant sensitivity analysis, is disclosed in Note 14.

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 for development

An investment property for development is valued at fair value if it can be reliably determined. If a fair value cannot be reliably determined, then the investment property for development is measured at cost. The key assumptions used to determine the fair value of the investment properties for development and the relevant sensitivity analysis, are disclosed in Note 14.

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

Impairment of financial assets

The consolidated entity assesses, at each reporting date, whether there is 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 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 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.

Further details on the significant judgements considered by management relating to impairment of financial assets are disclosed in Note 6: Trade and Other Receivables.

Impairment of equity-accounted investments

The consolidated entity assesses the carrying value of equity-accounted investments at each reporting period. If an impairment trigger exists, the recoverable amount of the asset is determined. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Falling commodity prices and the sharp slowdown in the mining sector over the past year has resulted in a deterioration of the trading performance of several mining camp joint ventures and as such management has assessed the recoverability of the investments held.

The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 37: Investments Accounted for Using Equity Method.

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 *(iii) Basis of consolidation (continued)*

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

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 income statement 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.

(v) Foreign currency translation (continued)

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.

(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 with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

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.

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 recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, the increase is recognised in the income statement. Any revaluation deficit is recognised in the income statement, except to the extent that it 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 from its use or disposal. 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.

(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 in respect of all properties as a secondary check method of the capitalisation approach, excluding property for development. There were no material differences between the capitalisation method result, the discounted cash flow method result and the direct sale comparison method result.

Investment properties for development

Investment properties for development are valued at fair value if fair value can be reliably determined. The direct sale comparison method was used for investment property for development.

(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.

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

Goodwill is not amortised. Goodwill is reviewed for impairment, at each reporting date 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, capitalised development costs and licence property, are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets 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 estimates the asset's recoverable amount.

Impairment

The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the consolidated entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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 to determine 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.

(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.

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

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.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale investments

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition 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 as defined by AASB 139.

The consolidated entity has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement.

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. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate (EIR), less impairment. 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 as finance income in the income statement. The losses arising from impairment are recognised in the income statement as finance costs.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. 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 as finance income in the income statement. The losses arising from impairment are recognised in the income statement as finance costs for loans and in cost of sales or other operating expenses for receivables.

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 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 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.

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

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 and, in the case of loans and borrowings and payables, net of 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 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.

(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 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.

Leases in which the consolidated entity does not transfer substantially all the risks and benefits of ownership of an 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 rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

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) Taxes

Current 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

(xx) Taxes (continued)

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

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

- when the deferred 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 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 tax asset to be utilised. Unrecognised deferred 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.

Goods and services tax (GST)
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.
- 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. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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.

(xxi) Derivative financial instruments and hedge accounting

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.

(xxi) Derivative financial instruments and hedge accounting (continued)

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.

If the hedge instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(xxii) 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.

(xxiii) 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.

(xxiv) 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.

(xxiv) Operating segments (continued)

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".

(e) Future Accounting Standards

Certain Australian Accounting Standards 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 2015.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. *Financial assets* 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.	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*
		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 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. *Financial liabilities* Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: a. The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b. 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 or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. *Impairment* The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. *Hedge accounting* Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9)			

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		issued in December 2013 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 2014-3	Amendments – Accounting for Acquisitions of Interests in Joint Operations	AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: a. the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and b. the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and disclosures of the consolidated entity.	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation	AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and disclosures of the consolidated entity.	1 July 2016
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18	1 January 2018	The consolidated entity is in the process of assessing the	1 July 2018

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: Step 1: Identify the contract(s) with a customer Step 2: Identify the performance obligations in the contract Step 3: Determine the transaction price Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation The AASB issued the Australian equivalent of IFRS 15, being AASB 15, in December 2014. These standards are effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.		impact on the consolidated entity's financial statements and disclosures.	
AASB 2014-9	Amendments – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and disclosures of the consolidated entity.	1 July 2016
AASB 2014-10	Amendments – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and	1 July 2016

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		sale or contribution of assets between an investor and its associate or joint venture. The amendments require: a. a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and b. a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.		disclosures of the consolidated entity.	
AASB 2015-1	Amendments – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: a. Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. b. Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 134 Interim Financial Reporting:	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and disclosures of the consolidated entity.	1 July 2016

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
		Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.			
AASB 2015-2	Amendments – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	The adoption of this accounting standard will not materially impact the results, financial statements and disclosures of the consolidated entity.	1 July 2016

*designates the beginning of the applicable annual reporting period

2. Operating Segments

Operating Segment Revenue: 30 June 2015	June 2015 $000 Sales to Customers Outside the Consolidated Entity	Other Revenues from Outside the Consolidated Entity	Segment Revenue
FRANCHISING OPERATIONS	2,869	867,932	**870,801**
Retail – New Zealand	740,618	11,196	**751,814**
Retail – Asia	391,555	3,532	**395,087**
Retail – Slovenia & Croatia	94,519	957	**95,476**
Retail – Ireland & Northern Ireland	231,690	2,384	**234,074**
Other Non-Franchised Retail	150,208	2,940	**153,148**
TOTAL RETAIL	1,608,590	21,009	**1,629,599**
Retail Property	119	230,268	**230,387**
Property Developments for Resale	5,573	173	**5,746**
TOTAL PROPERTY	5,692	230,441	**236,133**
Equity Investments	-	3,102	**3,102**
Other	-	17,532	**17,532**
Inter-company eliminations	-	(38,730)	**(38,730)**
Total Segment Revenue	**1,617,151**	**1,101,286**	**2,718,437**

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**

2. Operating Segments (continued)

Operating Segment Result: 30 June 2015	June 2015 $000 Segment Result Before Interest, Taxation, Depreciation, Impairment & Amortisation	Interest Expense	Depreciation Expense	Amortisation & Impairment Expense	Segment Result Before Tax
FRANCHISING OPERATIONS	251,207	(8,511)	(30,800)	(11,535)	200,361
Retail – New Zealand	61,401	(30)	(8,141)	(123)	53,107
Retail – Asia	765	(67)	(5,869)	(854)	(6,025)
Retail – Slovenia & Croatia	5,070	(483)	(1,752)	(135)	2,700
Retail – Ireland & Northern Ireland	(8,349)	(1,960)	(2,929)	-	(13,238)
Other Non-Franchised Retail	7,812	(1,855)	(1,376)	(94)	4,487
TOTAL RETAIL	66,699	(4,395)	(20,067)	(1,206)	41,031
Retail Property	162,181	(18,491)	(8,835)	(580)	134,275
Property Developments for Resale	989	(74)	-	-	915
TOTAL PROPERTY	163,170	(18,565)	(8,835)	(580)	135,190
Equity Investments	3,040	(223)	-	-	2,817
Other	5,190	(1,792)	(4,697)	-	(1,299)
Inter-company eliminations	(614)	614	-	-	-
Total Segment Result Before Tax	**488,692**	**(32,872)**	**(64,399)**	**(13,321)**	**378,100**

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**

2. Operating Segments (continued)

Operating Segment Assets and Liabilities: 30 June 2015	June 2015 $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	3,489,665	(2,092,646)	**1,397,019**	1,117,641	(230,690)	**886,951**
Retail – New Zealand	201,139	-	**201,139**	72,321	(3,451)	**68,870**
Retail – Asia	125,717	(1,135)	**124,582**	92,527	(37,923)	**54,604**
Retail – Slovenia & Croatia	42,469	(2,790)	**39,679**	38,609	(1,185)	**37,424**
Retail – Ireland & Northern Ireland	157,317	(98,377)	**58,940**	340,864	(242,265)	**98,599**
Other Non-Franchised Retail	110,293	(31,849)	**78,444**	157,889	(106,245)	**51,644**
TOTAL RETAIL	636,935	(134,151)	**502,784**	702,210	(391,069)	**311,141**
Retail Property	2,329,837	(27,117)	**2,302,720**	1,885,087	(1,555,642)	**329,445**
Property Developments for Resale	16,239	-	**16,239**	10,249	(9,098)	**1,151**
TOTAL PROPERTY	2,346,076	(27,117)	**2,318,959**	1,895,336	(1,564,740)	**330,596**
Equity Investments	40,565	-	**40,565**	3,452	-	**3,452**
Other	125,374	(26,157)	**99,217**	129,581	(93,572)	**36,009**
Total Segment Assets / Liabilities Before Tax Assets / Tax Liabilities	**6,638,615**	**(2,280,071)**	**4,358,544**	**3,848,220**	**(2,280,071)**	**1,568,149**

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**

2. Operating Segments (continued)

The consolidated entity operates predominantly in ten (10) 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 brand name.
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	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 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 2015 $000	Consolidated 2014 $000
3. Revenues		
Sales revenue:		
Revenue from the sale of products	1,617,151	1,513,662
Revenues and other income items:		
Gross revenue from franchisees:		
- Franchise fees	709,299	661,864
- Rent	229,868	225,858
- Interest	24,643	26,982
Total revenue received from franchisees	963,810	914,704
Gross revenue from other unrelated parties:		
- Rent received from external tenants	73,081	67,828
- Interest received from financial institutions and other parties	8,657	8,874
- Dividends received	1,884	1,749
Total revenue from other unrelated parties	83,622	78,451
Other income items:		
- Net property revaluation increment on Australian investment properties	7,604	-
- Property revaluation adjustment for overseas controlled entity	1,123	-
- Net profit on the revaluation of equity investments to fair value	1,218	2,742
- Net foreign exchange gains	220	588
- Other revenue	43,689	37,139
Total other income items	53,854	40,469
Total revenues and other income items	1,101,286	1,033,624
4. Expenses and Losses		
Tactical support:		
Tactical support provided to franchisees	81,353	103,191
Depreciation, amortisation and impairment:		
(included in administrative expenses line in the Income Statement)		
Depreciation of:		
- Buildings and leasehold land	8,154	7,656
- Plant and equipment	56,245	60,742
Amortisation of:		
- Computer software	12,742	9,007
- Licences	305	228
Impairment of:		
- Capitalised IT Projects	-	195
- Other assets	274	22
Total depreciation, amortisation and impairment	77,720	77,850

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
4. Expenses and Losses (continued)		
Minimum lease payments	159,802	157,103
Finance costs:		
Interest paid or payable:		
- Loans from directors and director-related entities	2,519	1,394
- Bank interest paid to financial institutions	29,100	33,725
- Other	1,253	1,318
Total finance costs	32,872	36,437
Employee benefits expense:		
- Wages and salaries	223,896	210,382
- Workers' compensation costs	1,017	603
- Superannuation contributions expense	12,216	11,610
- Payroll tax expense	8,730	8,653
- Share-based payments expense	218	419
- Other employee benefits expense	9,308	7,068
Total employee benefits expense	255,385	238,735
Property revaluation decrements (included in occupancy expenses):		
- Net revaluation decrement for Australian investment properties	-	9,529
- Net revaluation decrement for overseas controlled entities	-	2,123
Total net property revaluation decrements	-	11,652

5. Income Tax

(a) *Income tax recognised in the income statement*

	2015 $000	2014 $000
The major components of income tax expense are:		
Current income tax:		
Current income tax charge	102,932	82,351
Adjustments in respect of current income tax of previous years	(632)	(25)
Adjustment of income tax on exempt foreign transactions in prior years	-	-
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	(2,160)	(3,545)
Deferred income tax:		
Relating to the origination and reversal of temporary differences	9,046	10,042
Total income tax expense reported in the income statement	109,186	88,823

(b) *Income tax recognised in the statement of changes in equity*

	2015 $000	2014 $000
The following deferred amounts were charged directly to equity during the year:		
Deferred income tax:		
Net gain on revaluation of cash flow hedges	1,406	1,143
Net gain on revaluation of land and buildings	2,055	8,164
Total income tax expense reported in equity	3,461	9,307

5. Income Tax (continued)

	CONSOLIDATED 2015 $000	2014 $000
(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	378,100	301,061
At the consolidated entity's statutory income tax rate of 30% (2014: 30%)	113,430	90,318
Adjustments to arrive at total income tax expense recognised for the year:		
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	(2,160)	(3,545)
Adjustments in respect of current income tax of previous years	(538)	(25)
Share-based payment expenses	65	126
Expenditure not allowable for income tax purposes	737	11
Income not assessable for income tax purposes	(4,043)	(3,949)
Unrecognised tax losses	4,169	7,678
Utilisation of tax losses	(182)	6
Reversal of deferred tax balances raised in previous years	-	455
Tax concession for research and development expenses	(1,268)	(1,190)
Difference between tax capital gain and accounting profit on asset sales	(13)	(70)
Non-allowable building and motor vehicle depreciation	227	226
Receipt of fully franked dividends	(599)	(555)
Sundry items	(689)	(377)
Effect of different rates of tax on overseas income and exchange rate differences	50	(286)
Total adjustments	(4,244)	(1,495)
Total income tax expense reported in the income statement	109,186	88,823

The consolidated entity has not recognised deferred tax assets relating to tax losses of $207.13 million (2014: $200.80 million) which are available for offset against taxable profits of the companies in which the losses arose.

At 30 June 2015, there is no recognised or unrecognised deferred income tax liability (2014: 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.

5. Income Tax (continued)

	Statement of Financial Position 2015 $000	Statement of Financial Position 2014 $000	Income Statement 2015 $000	Income Statement 2014 $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	(102,961)	(98,328)	2,138	(2,289)
Revaluations of owner-occupied land and buildings to fair value	(25,710)	(22,987)	-	-
Non-allowable building depreciation due to a legislative change in New Zealand	(17,678)	(19,925)	(1,053)	(1,566)
Reversal of building depreciation expense for investment properties	(59,250)	(49,375)	10,283	9,305
Differences between accounting carrying amount and tax cost base of computer software assets	(1,156)	(478)	(100)	269
Accretion of FAST receivables	-	(3,593)	-	18
Research and development	(15,643)	(13,499)	2,144	2,133
Other items	-	-	-	1,220
	(222,398)	(208,185)		
CONSOLIDATED				
Deferred tax assets:				
Employee provisions	5,962	5,446	(545)	(434)
Unused tax losses and tax credits	3,682	141	(1,627)	209
Other provisions	4,418	380	(1,784)	172
Provision for lease makegood	-	123	123	61
Provision for deferred lease expenses	1,729	1,656	(73)	(64)
Lease incentives	414	492	78	104
Provision for executive remuneration	1,427	794	(633)	(357)
Inventory valuation adjustments	-	1,565	-	-
Unrealised losses on investments	-	(777)	-	880
Revaluations of owner-occupied land and buildings to fair value	908	908	-	-
Finance leases	1,451	1,900	449	794
Discount interest-free receivables	15	3,608	-	(10)
Equity-accounted investments	75	75	-	3
Provisions for onerous leases	229	278	49	838
Revaluation of interest rate swaps to fair value	1,216	2,616	-	-
Lease surrender	861	-	(15)	-
Other items	1,283	-	(388)	(1,244)
	23,670	19,205	9,046	10,042

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
6. Trade and Other Receivables (Current)		
Trade receivables (a)	1,107,653	1,049,897
Consumer finance loans (b)	2,049	2,073
Provision for doubtful debts (a)	(875)	(779)
Trade receivables and consumer finance loans, net	1,108,827	1,051,191
Amounts receivable in respect of finance leases (c)	10,797	12,198
Provision for doubtful debts (c)	(5,897)	(5,897)
Finance leases, net	4,900	6,301
Non-trade debts receivable from: (d)		
- Related parties (including joint ventures and joint venture partners)	23,673	-
- Unrelated parties	6,479	5,757
- Provision for doubtful debts (d)	(1,328)	(965)
Non-trade debts receivable, net	28,824	4,792
Total trade and other receivables (current)	1,142,551	1,062,284

(a) *Trade receivables and provision for doubtful debts*

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision 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 $1.49 million (2014: $1.03 million) has been recognised by the consolidated entity in the current year for the current trade receivables. This amount has been included in the other expenses line item in the income statement.

The ageing analysis of current and non-current trade receivables is as follows:

- $1,089.24 million of the trade receivables balance as at 30 June 2015 (2014: $1,032.09 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.
- $17.86 million of the trade receivables balance as at 30 June 2015 (2014: $17.34 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 2015 (2014: Nil).
- $0.86 million of the trade receivables balance as at 30 June 2015 (2014: $0.78 million) are past due and impaired which have been fully provided for. See below for the movements in the provision for doubtful debts for trade debtors.

		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
2015 ($000)	**1,089,241**	**7,106**	**5,066**	**5,688**	**6**	**11**	**839**	**1,107,957**
2014 ($000)	1,032,091	7,704	2,280	7,353	14	194	571	1,050,207

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
Reconciled to:		
Trade debtors (Current)	1,107,653	1,049,897
Trade debtors (Non-Current – Note 11)	304	310
Total trade debtors	1,107,957	1,050,207

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

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

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

	CONSOLIDATED 2015 $000	2014 $000
At 1 July	779	713
Charge for the year	1,488	1,025
Foreign exchange translation	(1,429)	11
Amounts written off	18	(970)
At 30 June	856	779

(b) Consumer finance loans and provision 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.

The ageing analysis of current and non-current consumer finance loans is as follows:

- $2.04 million of the consumer finance loans at 30 June 2015 (2014: $1.99 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.
- 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. $0.42 million of the consumer finance loans balance as at 30 June 2015 (2014: $0.53 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.
- $0.02 million of the consumer finance loans at 30 June 2015 (2014: 0.004 million) are past due and impaired which have been fully provided for. See below for the movements in the provision for doubtful debts for consumer finance loans.

		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
2015 ($000)	**2,040**	**216**	**36**	**163**	**-**	**-**	**23**	**2,478**
2014 ($000)	1,993	339	29	161	-	-	4	2,526

	CONSOLIDATED 2015 $000	2014 $000
Reconciled to:		
Consumer finance loans (Current)	2,049	2,073
Consumer finance loans (Non – Current – Note 11)	429	453
Total consumer finance loans	2,478	2,526

Movements in the provision for doubtful debts for consumer finance loans were as follows:

	2015	2014
At 1 July	4	7
Charge for the year	23	4
Amounts written off	(4)	(7)
At 30 June	23	4

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

(c) Finance lease receivables and provision for doubtful debts

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

	CONSOLIDATED	
	2015	2014
	$000	$000
Aggregate of minimum lease payments and guaranteed residual values:		
Not later than one year	**11,040**	12,617
Later than one year but not later than five years	**1,495**	2,248
	12,535	14,865
Future finance revenue:		
Not later than one year	**(243)**	(419)
Later than one year but not later than five years	**(147)**	(212)
Net finance lease receivables	**12,145**	14,234
Reconciled to:		
Amounts receivable in respect of finance leases (Current)	**10,797**	12,198
Amounts receivable in respect of finance leases (Non-current – Note 11)	**1,348**	2,036
	12,145	14,234

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. A provision is 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 (2014: Nil).

The ageing analysis of current and non-current finance lease receivables is as follows

- $2.60 million of the finance lease receivable balance as at 30 June 2015 (2014: 8.34 million) are neither past due nor impaired.
- $3.65 million of the finance lease receivable balance as at 30 June 2015 (2014: Nil) are past due but not impaired. 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.
- $5.90 million of the finance lease receivable balance as at 30 June 2015 (2014: 5.90 million) are past due and impaired which have been fully provided for. See below for the movements in the provision for doubtful debts for finance lease receivables.

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

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

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

Non-trade debts receivable are generally interest-bearing and are normally payable at call. $98.56 million of the non-trade debts receivable balance as at 30 June 2015 (2014: $66.52 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.

$6.28 million of the non-trade debts receivable balance as at 30 June 2015 (2014: $0.97 million) are past due and impaired and a provision for doubtful debts has been raised in full. A provision for doubtful debts of $5.87 million (2014: $0.12 million) has been recognised in the 2015 financial year, of which $0.91 million was recognised as a bad debts charge for the year in the other expenses line item in the income statement and $4.96 million was recognised in the prior year and reclassified to provision for doubtful debts during the current year. See below for the movements in the provision for doubtful debts for non-trade debts receivable.

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

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

(d) Non-trade debts receivable and provision for doubtful debts (continued)

	Neither past due nor impaired	Past due but not impaired 31-60 Days	Past due but not impaired 61-90 Days	Past due but not impaired +90 Days	Past due and impaired 31-60 Days	Past due and impaired 61-90 Days	Past due and impaired +90 Days	Total
2015 ($000)	**98,562**	**-**	**-**	**-**	**-**	**-**	**6,283**	**104,845**
2014 ($000)	66,523	-	-	-	-	-	965	67,488

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
Reconciled to:		
Non-trade debts receivable (Current)	**30,152**	5,757
Non-trade debts receivable (Non-current – Note 11)	**74,693**	61,731
	104,845	67,488
Movements in the provision for doubtful debts for non-trade debts receivable were as follows:		
At 1 July	**965**	880
Charge for the year (ii)	**914**	120
Reclassified from other liability (i)	**4,955**	-
Amounts written off	**(551)**	(35)
At 30 June	**6,283**	965

(i) *Impairment of a non-trade receivable from a retail joint venture:*
The consolidated entity has made a commercial advance to a retail joint venture amounting to $36.69 million as at 30 June 2015. The commercial advance was used to fund the working capital of the start -up operations of the retail joint venture. An impairment assessment was conducted resulting in the recognition of an expense of $4.96 million in the prior year (included in the other expenses line item in the income statement). The impairment loss of $4.96 million has been reclassified from other liabilities to provision for doubtful debts for non-trade debts receivable in the statement of financial position in the current year.

Management has determined the present value of future cash flows as at 30 June 2015 for a five-year period, based on financial budgets approved by senior management, in addition to the assets held as security over the loan. The effective interest rate of 7.5% was applied to the cash flow projections. Cash flow projections beyond five years were not used due to the start-up nature of the retail joint venture.

Each of the key assumptions in the impairment assessment is subject to judgement including the future trading performance of the retail joint venture. Management has applied their best estimates, based on available information, to assess the recoverable amount of the non-trade receivables as at balance date.

(ii) *Impairment of the non-trade receivables to mining camp joint ventures:*
The consolidated entity has made commercial advances to the mining camp joint ventures totalling $33.92 million in aggregate as at 30 June 2015. Falling commodity prices and the sharp slowdown in the mining sector over the past year has resulted in a significant deterioration in the trading performance of the mining camp joint ventures. Consequently, the recoverable amount of non-trade receivables advanced to the mining camp joint ventures has been assessed. An impairment loss of $0.91 million was recognised during the current year to reduce the carrying amount of the non-trade receivable to the recoverable amount.

The recoverable amount for these loans have been determined based on the present value of estimated cash flow projections as at 30 June 2015 for a five-year period, based on financial budgets approved by senior management, and the assets held as security over the loan. The effective interest rate applied to the cash flow projections was 7.5%. Cash flow projections were limited to five years due to the inherent risks associated with the mining industry.

Each of the key assumptions in the impairment assessment is subject to significant judgement about future economic conditions and its impact on the ongoing trading performance of the mining camp ventures and the possible commencement of future projects which are currently out to tender. Management has applied their best estimates, based on available information, to each of these variables to assess the recoverable amount of the non-trade receivables as at balance date.

		CONSOLIDATED 2015 $000	2014 $000
7.	**Other Financial Assets (Current)**		
	Listed shares held for trading at fair value	24,734	20,546
	Derivatives receivable	64	-
	Other current financial assets	1,350	1,050
	Total other financial assets (current)	26,148	21,596
8.	**Inventories (Current)**		
	Finished goods at cost	301,062	293,122
	Provision for obsolescence	(5,563)	(4,305)
	Finished goods at cost, net	295,499	288,817
	Finished goods at net realisable value	2,882	8,853
	Total current inventories at the lower of cost and net realisable value	298,381	297,670
9.	**Other Assets (Current)**		
	Prepayments	13,841	12,212
	Other current assets	9,231	10,798
	Total other assets (current)	23,072	23,010
10.	**Intangible Assets (Current)**		
	Net licence property	476	541
11.	**Trade and Other Receivables (Non-Current)**		
	Trade receivables (a)	304	310
	Consumer finance loans (b)	429	453
	Provision for doubtful debts (b)	(4)	(4)
	Trade receivables and consumer finance loans, net	729	759
	Amounts receivable in respect of finance leases (c)	1,348	2,036
	Non-trade debts receivable from (d):		
	- Related parties (including joint ventures and joint venture partners)	68,712	57,109
	- Provision for doubtful debts	(4,955)	-
	- Unrelated parties	5,981	4,622
	Non-trade debts receivable, net	69,738	61,731
	Total trade and other receivables (non-current)	71,815	64,526

(a) *Trade receivables*
For terms and conditions and provision for doubtful debts for trade receivables refer to Note 6 (a).

(b) *Consumer finance loans*
For terms and conditions and provision for doubtful debts for consumer finance loans refer to Note 6 (b).

(c) *Finance lease receivables*
For terms and conditions and provision for doubtful debts for finance lease receivables refer to Note 6 (c).

(d) *Non-trade debts receivable*
For terms and conditions and provision for doubtful debts for non-trade debts receivable refer to Note 6 (d).

		CONSOLIDATED 2015 $000	2014 $000
12.	**Other Financial Assets (Non-Current)**		
	Listed shares held for trading at fair value	2,350	2,750
	Listed shares held as available for sale	13,481	12,782
	Units in unit trusts held as available for sale	216	206
	Other non-current financial assets	523	438
	Total other financial assets (non-current)	16,570	16,176

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
13. Property, Plant and Equipment (Non-Current)		
Summary		
Land at fair value	148,734	129,609
Buildings at fair value	209,983	221,047
Net land and buildings at fair value	358,717	350,656
Plant and equipment		
At cost	751,037	769,366
Accumulated depreciation	(558,486)	(552,806)
Net plant and equipment	192,551	216,560
Lease make good asset		
At cost	5,093	4,850
Accumulated depreciation	(3,758)	(3,009)
Net lease make good asset	1,335	1,841
Total plant and equipment	193,886	218,401
Total property, plant and equipment		
Land and buildings at fair value	358,717	350,656
Plant and equipment at cost	756,130	774,216
Total property, plant and equipment	1,114,847	1,124,872
Accumulated depreciation and amortisation	(562,244)	(555,815)
Total written down amount	552,603	569,057
Reconciliations of the carrying amounts of property, plant and equipment are as follows:		
Land at fair value:		
Opening balance	129,609	122,825
Additions	232	-
Increase resulting from revaluation	15,533	1,770
Depreciation of leasehold land (a)	(539)	(510)
Net foreign currency differences arising from foreign operations	3,899	5,524
Closing balance	148,734	129,609

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

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

Reconciliations (continued)

	CONSOLIDATED	
	2015	2014
	$000	$000
Buildings at fair value:		
Opening balance	221,047	188,911
Additions	566	1,428
(Decrease) / increase resulting from revaluation	(1,280)	23,788
Depreciation for the year	(7,590)	(7,146)
Transfers from plant and equipment	-	113
Net foreign currency differences arising from foreign operations	(2,760)	13,953
Closing balance	209,983	221,047

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 $220.70 million (2014: $225.73 million).

	2015	2014
Plant and equipment at cost:		
Opening balance	769,366	783,628
Additions	50,454	56,669
Disposals	(45,269)	(57,523)
Transfers to investment property	(24,245)	(24,169)
Impairment	-	(22)
Net foreign currency differences arising from foreign operations	592	10,783
Closing balance	750,898	769,366
Accumulated Depreciation		
Opening balance	552,806	547,796
Depreciation for the year	55,133	59,975
Disposals	(35,649)	(46,557)
Transfers to investment property	(14,909)	(15,527)
Net foreign currency differences arising from foreign operations	1,082	7,119
Closing balance	558,463	552,806
Net book value	192,435	216,560
Leased Plant and Equipment at cost:		
Opening balance	-	-
Additions	139	-
Closing balance	139	-
Accumulated Depreciation		
Opening balance	-	-
Depreciation for the year	23	-
Closing balance	23	-
Net book value	116	-

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

Reconciliations (continued)

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
Lease make good asset at cost:		
Opening balance	**4,850**	4,128
Additions	**504**	1,500
Disposals	**(660)**	(720)
Net foreign currency differences arising from foreign operations	**399**	(58)
Closing balance	**5,093**	4,850
Accumulated Depreciation		
Opening balance	**3,009**	2,793
Depreciation for the year	**1,089**	767
Disposals	**(612)**	(502)
Net foreign currency differences arising from foreign operations	**272**	(49)
Closing balance	**3,758**	3,009
Net book value	**1,335**	1,841
Total plant and equipment	**193,886**	218,401
Total property, plant and equipment	**552,603**	569,057

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

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	2015 $000	2014 $000
At 1 July	200,323	68,203	3,269	49,492	16,339	7,209	5,821	350,656	311,736
Additions	369	-	-	-	-	-	429	798	1,428
Fair value adjustments*	4,489	1,634	(259)	8,389	-	-	-	14,253	25,558
Depreciation for the year	(5,145)	(1,195)	(35)	(814)	(856)	(18)	(66)	(8,129)	(7,656)
Transfer to / from Investment Properties	-	-	-	-	-	-	-	-	113
Net foreign currency differences	(9,212)	380	19	6,763	2,198	991	-	1,139	19,477
At 30 June	**190,824**	**69,022**	**2,994**	**63,830**	**17,681**	**8,182**	**6,184**	**358,717**	**350,656**

* Of the fair value adjustments of $14.25 million for the year ended 30 June 2015, $13.13 million is recognised in other comprehensive income attributable to revaluation gains relating to the Retail properties in New Zealand, one (1) Retail property in Singapore and revaluation adjustments to the Retail and Warehouse properties in Slovenia. The remaining balance of $1.12 million is attributable to the reversal of revaluation decrement in Retail properties in Slovenia and is included in other income.

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy	Fair value 30 June 2015 $000	Valuation technique	Key unobservable inputs	Range of unobservable inputs
Retail	Level 3	329,860	Income capitalisation Discounted cash flow	Net market rent per sqm p.a. Capitalisation rate Terminal yield Discount rate	$91 - $714 per sqm p.a. 4.3% - 9.4% 4.0% - 7.3% 8.5% - 10.0%
Warehouse	Level 3	20,675	Income capitalisation Direct sale comparison	Net market rent per sqm p.a. Capitalisation rate Price per sqm of lettable area	$91 per sqm p.a. 8.98% $1,351 per sqm
Office	Level 3	8,182	Direct sale comparison	Price per sqm of lettable area	$7,901 - $9,365 per sqm
Total		**358,717**			

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

The table on the previous page 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 2015 $000	June 2014 $000
At 1 July	3,074	1,722,065	117,458	33,400	27,507	1,903,504	1,853,540
Additions	-	12,935	3,221	-	-	16,156	48,827
Transfers from property, plant and equipment	-	9,049	287	-	-	9,336	8,529
Change in class of property	-	22,128	843	-	(22,971)	-	-
Transfer from inventory	-	-	-	-	-	-	8,956
Transfer to other assets	-	-	-	-	-	-	(3,684)
Fair value adjustments*	-	6,655	949	-	-	7,604	(9,727)
Disposals	-	(497)	-	-	-	(497)	(3,128)
Depreciation for the year	(23)	-	-	-	-	(23)	-
Net foreign currency differences	(144)	-	-	-	-	(144)	191
At 30 June	**2,907**	**1,772,335**	**122,758**	**33,400**	**4,536**	**1,935,936**	**1,903,504**

* Fair value adjustments totalling $7.604 million in aggregate for the year ended 30 June 2015 are included in other income.

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy	Fair value 30 June 2015 $000	Valuation technique	Key unobservable inputs	Range of unobservable inputs
Retail	Level 3	1,772,335	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	$74 - $400 per sqm p.a. 7.5% - 14.0% 8.0% - 11.5% 9.3% - 11.8% $427 - $3,613 per sqm
Warehouse	Level 3	125,665	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	$68 - $140 per sqm p.a. 7.8% - 10.0% 9.3% - 10.0% 9.5% - 11.0% $580 - $1,508 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	4,536	Direct sale comparison	Price per sqm of site area	$150 per sqm
Total		**1,935,936**			

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 primarily 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, 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 2015, the consolidated entity obtained independent valuations in respect of thirty-four (34) properties. Based on the results of the independent valuations, a further nine (9) properties were identified by management for further review. The nine (9) 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 $191.76 million for the year ended 30 June 2015 (2014: $184.82 million). Operating expenses recognised in the income statement in relation to investment properties amounted $39.50 million for the year ended 30 June 2015 (2014: $35.68 million).

	CONSOLIDATED	
	2015	2014
	$000	$000
15. Intangible Assets (Non-Current)		
Computer Software (summary)		
At cost	**157,600**	139,048
Accumulated amortisation and impairment	**(77,993)**	(65,439)
Net computer software	**79,607**	73,609
Computer Software (a):		
Net of accumulated amortisation and impairment		
Opening balance	**73,609**	58,532
Additions	**18,527**	24,430
Disposals	**(373)**	(191)
Impairment	**-**	(195)
Amortisation	**(12,742)**	(9,007)
Net foreign currency differences arising from foreign operations	**586**	40
Net book value	**79,607**	73,609
Goodwill (b)		
Net book value	**-**	10
Licence property		
Net book value	**4,120**	4,279
Total intangible assets	**83,727**	77,898

(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. During the 2015 financial year, the goodwill balance previously recognised was written down to nil.

	CONSOLIDATED	
	2015	2014
	$000	$000
16. Trade and Other Payables (Current)		
Trade creditors	**682,666**	642,301
Accruals	**43,808**	39,139
Other creditors	**87,000**	59,241
Total trade and other payables (current)	**813,474**	740,681

	CONSOLIDATED 2015 $000	2014 $000
17. Interest-Bearing Loans and Borrowings (Current)		
Secured:		
Non trade amounts outstanding:		
- Bank overdraft (a)	**32,620**	29,785
- Commercial bills payable (b)	**9,750**	9,750
- Syndicated Facility Agreement (c)	**170,000**	370,000
- Other short-term borrowings (d)	**101,808**	7,368
- Lease liabilities	**139**	-
Unsecured:		
Derivatives payable	**4,104**	105
Non trade amounts owing to:		
- Directors (e)	**78,972**	41,121
- Other related parties (e)	**10,956**	11,723
- Other unrelated persons	**89**	20
Total interest-bearing loans and borrowings (current)	**408,438**	469,872

(a) *Bank Overdraft*

Of the total bank overdraft of $32.62 million as at 30 June 2015:

- a total of $31.36 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 $0.26 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 $1.0 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"). On 28 November 2014, the Amending Deed (No. 2) to the Syndicated Facility Agreement was executed with the effect of extending Tranche A of the Facility totalling $370 million, with a previous expiry date of 22 December 2014, into two sub-tranches of $170 million (expiring 28 November 2015) and $200 million (expiring 28 November 2017). The aggregate value of the Syndicated Facility Agreement remained at $610 million. The utilised amount of the Syndicated Facility Agreement as at 30 June 2015 was $460 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 $170 million, on 28 November 2015;
(b) as to $200 million, on 28 November 2017;
(c) as to $240 million, on 22 December 2016:
(d) 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;
  (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.

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

(c) *Syndicated Facility Agreement (continued)*
The Company has not received notice of the occurrence of any Relevant Event from any Financier. The amount of the $170 million repayable on 28 November 2015 referred to above is a current liability as at balance date.

(d) *Other Short-Term Borrowings*
Of the total other short-term borrowings of $101.81 million:

- a total of $50.70 million is secured by the securities given pursuant to the Syndicated Facility Agreement. The facilities are utilised in Slovenia and Croatia and have a maturity date of 2 December 2015.
- a total of $40.14 million is secured by the securities given pursuant to the Syndicated Facility Agreement. The facility is utilised in Singapore and has a maturity date of 30 November 2015.
- a total of $9.77 million relates to a revolving credit facility with ANZ in Singapore. This facility is subject to periodic review and otherwise repayable on demand. The revolving credit facility is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)).
- a total of $1.20 million relates to a revolving credit facility with AmBank (M) Berhad in Malaysia which is subject to periodic review and otherwise repayable on demand. The Company has granted a guarantee to AmBank (M) Berhad in Malaysia in respect of the obligations of Space Furniture Collection Sdn Bhd.

(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	
	2015	2014
	$000	$000
18. Other Liabilities (Current)		
Lease incentives	**2,025**	2,031
Unearned revenue	**845**	12
Total other liabilities (current)	**2,870**	2,043
19. Provisions		
Current:		
Employee entitlements (Note 29)	**18,636**	18,204
Lease make good	**2,161**	1,350
Deferred lease expenses	**983**	893
Onerous lease costs	**750**	1,722
Other	**960**	3,325
Total provisions (current)	**23,490**	25,494
Non-Current:		
Employee entitlements (Note 29)	**4,295**	2,066
Lease make good	**2,948**	3,523
Deferred lease expenses	**5,006**	4,704
Total provisions (non-current)	**12,249**	10,293

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 2014	4,873	5,597	1,722	3,325	15,517
Arising during the year	698	837	866	1,309	3,710
Utilised	(878)	(448)	(1,838)	(3,627)	(6,791)
Exchange rate variance	416	3	-	(47)	372
At 30 June 2015	5,109	5,989	750	960	12,808
Current 2015	2,161	983	750	960	4,854
Non-current 2015	2,948	5,006	-	-	7,954
Total provisions 2015	5,109	5,989	750	960	12,808
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

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 2015 was $5.11 million representing the expected costs to be incurred in restoring the leased premises to the condition specified in the lease.

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	
	2015	2014
	$000	$000
20. Interest-Bearing Loans and Borrowings (Non-Current)		
Secured:		
Non trade amounts outstanding:		
Other borrowings		
- Syndicated Facility Agreement (refer to note 17(c))	**290,000**	142,000
- Other non-current borrowings (a)	**-**	87,383
Unsecured:		
- Derivatives payable	**-**	8,711
Total interest-bearing loans and borrowings (non-current)	**290,000**	238,094

(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.

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

(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	
	2015 $000	2014 $000
Total facilities:		
- Bank overdraft	47,406	43,357
- Other borrowings	113,877	106,134
- Commercial bank bills	9,750	9,750
- Syndicated Facility Agreement	610,000	610,000
Total Available Facilities	781,033	769,241
Facilities used at reporting date:		
- Bank overdraft	32,620	29,785
- Other borrowings - current	101,808	7,368
- Other borrowings – non-current	-	87,383
- Commercial bank bills - current	9,750	9,750
- Syndicated Facility Agreement – current	170,000	370,000
- Syndicated Facility Agreement – non-current	290,000	142,000
Total Used Facilities	604,178	646,286
Facilities unused at reporting date:		
- Bank overdraft	14,786	13,572
- Other borrowings	12,069	11,383
- Syndicated Facility Agreement	150,000	98,000
Total Unused Facilities	176,855	122,955

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	14,238	15,426
Unearned revenue	3,390	-
Total other liabilities (non-current)	17,628	15,426

23. Contributed Equity

Ordinary shares	380,328	259,610
Total contributed equity	380,328	259,610

	2015 Number	2014 Number
Ordinary shares issued and fully paid	1,110,603,911	1,062,316,784

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

23. Contributed Equity (continued)

	CONSOLIDATED	
	Number	$000
Movements in ordinary shares on issue		
At 1 July 2014	1,062,316,784	259,610
Issue of shares under executive share option plan	-	-
Issue of new ordinary shares pursuant to Renounceable Rights Offer in December 2014	48,287,127	120,718
At 30 June 2015	1,110,603,911	380,328

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.

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 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**
At 1 July 2014	91,184	23,846	7,279	(6,110)	8,587	(22,051)	**102,735**
Revaluation of land and buildings	13,115	-	-	-	-	-	**13,115**
Tax effect of revaluation of land and buildings	(2,055)	-	-	-	-	-	**(2,055)**
Unrealised gain on available-for-sale investments	-	-	1,302	-	-	-	**1,302**
Net gain on interest rate swap	-	-	-	4,650	-	-	**4,650**
Tax effect of net gain on swap	-	-	-	(1,395)	-	-	**(1,395)**
Reverse expired or realised cash flow hedge reserves	-	-	-	13	-	-	**13**
Net gain on forward foreign exchange contracts	-	-	-	36	-	-	**36**
Tax effect of net gain on forward foreign exchange contracts	-	-	-	(11)	-	-	**(11)**
Currency translation differences	-	(5,317)	-	-	-	-	**(5,317)**
Share based payment	-	-	-	-	217	-	**217**
At 30 June 2015	102,244	18,529	8,581	(2,817)	8,804	(22,051)	**113,290**

(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.

	Consolidated June 2015 $000	June 2014 $000
25. Retained Profits and Dividends		
Movements in retained earnings were as follows:		
Balance 1 July	2,109,032	2,008,880
Profit for the year	268,095	211,695
Dividends paid	(333,664)	(111,543)
Balance at end of the year	2,043,463	2,109,032
Dividends declared and paid during the year:		
Dividends on ordinary shares:		
Final franked dividend for 2014: 8.0 cents (2013: 4.5 cents)	84,986	47,804
Special fully-franked dividend pursuant to Renounceable Rights Offer in December 2014: 14.0 cents	148,724	-
Interim franked dividend for 2015: 9.0 cents (2014: 6.0 cents)	99,954	63,739
Total dividends paid	333,664	111,543

The final dividend of $84.99 million, fully-franked, for the year ended 30 June 2014 was paid on 1 December 2014.
The special dividend of $148.72 million, fully-franked, pursuant to the Renounceable Rights Offer was paid on 30 December 2014.
The interim dividend of $99.95 million, fully-franked, for the year ended 30 June 2015 was paid on 4 May 2015.
The final dividend of 11.0 cents per share totalling $122.17 million, fully-franked, for the year ended 30 June 2015 will be paid on 1 December 2015. No provision has been made in the Statement of Financial Position for the payment of this final dividend.

Franking credit balance

	June 2015 $000	June 2014 $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%	607,620	676,514
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	29,182	18,953
- franking credits that will be utilised in the payment of proposed final dividend	(52,357)	(36,422)
The amount of franking credits available for future reporting periods	584,445	659,045

26. Non-Controlling Interests

	June 2015 $000	June 2014 $000
Interest in:		
- Ordinary shares	2,591	2,591
- Reserves	13,440	11,683
- Retained earnings	3,748	5,455
Total non-controlling interests	19,779	19,729

	CONSOLIDATED	
	June 2015 $000	June 2014 $000
27. Earnings Per Share		
Basic earnings per share (cents per share)	**24.51c**	19.69c
Diluted earnings per share (cents per share)	**24.48c**	19.68c
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit after tax	**268,914**	212,238
Profit after tax attributable to non-controlling interests	**(819)**	(543)
Profit after tax attributable to the Parent	**268,095**	211,695

	NUMBER OF SHARES	
	June 2015	June 2014
Weighted average number of ordinary shares used in calculating basic earnings per share (a)	**1,093,626,019**	1,074,989,368
Effect of dilutive securities (b):		
- Share Options	**1,490,785**	974,568
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**1,095,116,804**	1,075,963,936

(a) Weighted Average Number of Ordinary Shares

The weighted average number of ordinary shares used in calculating basic earnings per share is inclusive of the new shares totalling 48,287,127 ordinary shares in the company issued on 22 December 2014 pursuant to the Renounceable Rights Offer, weighted on a pro-rata basis from issue date to 30 June 2015.

(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"). 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 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 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"). 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 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"). 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 had lapsed and will never be exercisable by the participants.

Options issued pursuant to the First, Second and Third Tranches 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 2015. The unexercised options of the First, Second and Third Tranches 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 2015 $000	June 2014 $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 2015 $000	June 2014 $000
Cash at bank and on hand	169,694	119,092
Short term money market deposits	16,146	25,865
	185,840	144,957
Bank overdraft (Note 17)	(32,620)	(29,785)
Cash and cash equivalents at end of the year	153,220	115,172

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

	June 2015 $000	June 2014 $000
Profit after tax	268,914	212,238
Adjustments for:		
Net foreign exchange gains	(220)	(588)
Bad and doubtful debts	2,785	129
Provision for inventory obsolescence	1,258	(192)
Share of net profit from joint venture entities	(8,657)	(17,501)
Depreciation of property, plant and equipment	64,399	68,398
Amortisation	13,047	9,235
Impairment of fixed assets and IT projects	-	217
Impairment of investment in joint venture	274	-
Revaluation of investment properties and properties held under joint ventures	(7,604)	9,529
Property revaluation adjustment for overseas controlled entity	(1,123)	2,123
Deferred lease expenses	244	214
Provision for onerous leases	667	135
Discount of interest-free long term receivables	-	32
Accretion of interest-free long term receivables	-	(59)
Executive remuneration expenses	4,246	2,926
Transfers to provisions:		
- Employee entitlements	2,662	2,059
Loss / (gain) on disposal and revaluation of:		
- Property, plant and equipment, and listed securities	2,271	(1,331)
Changes in assets and liabilities net of effects from purchase and sale of controlled entities:		
(Increase)/decrease in assets:		
Receivables	(81,322)	(58,618)
Inventory	(1,970)	(28,697)
Other current assets	(62)	4,645
Increase/(decrease) in liabilities:		
Payables and other current liabilities	69,973	133,716
Income tax payable	10,666	325
Net cash from operating activities	340,448	338,935

	Consolidated 2015 Number	Consolidated 2014 Number

29. Employee Benefits

	2015 Number	2014 Number
The number of full-time equivalent employees employed as at 30 June are:	5,025	5,013

	2015 $000	2014 $000
The aggregate employee benefit liability is comprised of:		
Accrued wages, salaries and on-costs	10,272	7,998
Provisions (Current – Note 19)	19,596	19,124
Provisions (Non-current – Note 19)	4,295	2,066
Total employee benefit provisions	34,163	29,188

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 2015	Number of Options Outstanding 2014	Number of Options Vested 2015	Number of Options Vested 2014
29/11/2010	30/06/2016	$3.02	-	-	1,134,000	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	1,701,000	-	-
			1,701,000	2,451,000	1,884,000	1,134,000

Refer to page 41 Remuneration Report for further information.

30. Remuneration of Auditors

	Consolidated 2015 $	Consolidated 2014 $
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	1,545,981	1,584,330
- tax services in relation to the entity and any other entity in the consolidated entity	189,238	181,260
- other services in relation to the entity and any other entity in the consolidated entity	129,512	76,814
Total received or due and receivable by Ernst & Young	1,864,731	1,842,404

31. Key Management Personnel

(a) Details of Key Management Personnel

Directors	Title	Senior Executives	Title
Gerald Harvey	Executive Chairman	Martin Anderson	General Manager – Advertising
Kay Lesley Page	Executive Director and Chief Executive Officer	Thomas James Scott	General Manager – Property
John Evyn Slack-Smith	Executive Director and Chief Operating Officer	Geoff Van Der Vegt	General Manager – Technology & Entertainment
David Ackery	Executive Director	Gordon Ian Dingwall	Chief Information Officer
Chris Mentis	Chief Financial Officer and Company Secretary	Haydon Ian Myers	General Manager – Home Appliances
Christopher Herbert Brown OAM	Non-Executive Director	Robert Nelson	General Manager – Audio Visual
Michael John Harvey	Non-Executive Director		
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	
	2015	2014
	$	$
Short – term	10,896,451	10,369,637
Post employment	244,830	199,008
Long – term	1,483,608	836,552
Other – long service leave accrual	94,516	83,732
Share – based payment	217,893	440,577
	12,937,298	11,929,506

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.

(b) Transactions with Other Related Parties

		2015	2014
(i)	Several controlled entities of Harvey Norman Holdings Limited operate loan accounts with other related parties, mainly consisting of joint ventures and the other joint venture partner of the joint ventures. Refer to Notes 6 and 11. The amount of other related party loans at balance date was:	92,384,889	57,109,200
(ii)	The consolidated entity has a payable to other related parties at arm's length terms and conditions amounting to the following at balance date:	10,955,554	11,722,806

33. Commitments

(a) Capital expenditure contracted but not provided is payable as follows:

Not later than one year	9,682	4,939
Total capital expenditure commitments	9,682	4,939

The consolidated entity had contractual obligations to purchase property, plant and equipment, investment properties and joint venture properties of $9.68 million (2014: $4.94 million). The contractual obligations relating to property, plant and equipment are mainly for the refurbishment of existing franchised complexes in Australia. There are no contractual obligations relating to joint venture properties for the year ended 30 June 2015 (2014: $0.56 million).

33. Commitments (continued)

	CONSOLIDATED 2015 $000	CONSOLIDATED 2014 $000
(b) Lease expenditure commitments – the consolidated entity as lessee:		
(i) Operating lease expenditure contracted for is payable as follows:		
Not later than one year	**143,774**	154,482
Later than one year but not later than five years	**346,331**	383,409
Later than five years	**134,928**	150,656
Total operating lease liabilities	**625,033**	688,547

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.

(ii) Geographic representation of operating lease expenditure:

30 June 2015	Australia $000	New Zealand $000	Asia $000	Ireland and Northern Ireland $000	Slovenia and Croatia $000	Total $000
Not later than one year	91,468	10,676	21,529	18,314	1,787	143,774
Later than one year but not later than five years	215,795	25,603	42,275	59,955	2,703	346,331
Later than five years	56,783	6,406	3,138	68,159	442	134,928
Total operating lease liabilities	364,046	42,685	66,942	146,428	4,932	625,033

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	17,394	2,266	154,482
Later than one year but not later than five years	239,056	28,872	46,942	63,764	4,775	383,409
Later than five years	69,408	10,724	-	69,697	827	150,656
Total operating lease liabilities	409,935	51,117	68,772	150,855	7,868	688,547

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 the tables above have been calculated up to exit or break dates.

	2015 $000	2014 $000
(c) Lease commitments – the consolidated entity as lessor:		
Future minimum amounts receivable under non-cancellable operating leases are as follows:		
Rent		
Not later than one year	**83,597**	79,776
Later than one year but not later than five years	**155,086**	149,734
Later than five years	**30,235**	22,832
Minimum lease receivable – rent	**268,918**	252,342
Outgoings		
Not later than one year	**13,054**	12,199
Later than one year but not later than five years	**24,005**	24,316
Later than five years	**5,366**	4,319
Minimum lease receivable – outgoings	**42,425**	40,834
Total minimum lease receivable – rent and outgoings	**311,343**	293,176

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 2015, the consolidated entity has guaranteed the performance of a joint venture entity which has entered into a loan facility with other parties totalling $10.3 million (2014: nil).

35. Financial Risk Management

(a) Financial Risk Management Objectives and Policies

The consolidated entity's principal financial liabilities, other than derivatives, comprise of trade and other payables and loans and borrowings. The consolidated entity's principal financial assets, other than derivatives, include trade and other receivables, shares held for trading and available for sale investments.

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 assets and financial liabilities 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 2015, 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	
	2015	2014
	$000	$000
Financial assets		
Cash and cash equivalents	8,360	7,158
Trade and other receivables	2,717	4,188
Derivatives receivable	64	-
	11,141	11,346
Financial liabilities		
Trade and other payables	11,110	17,555
Interest bearing loans and borrowings	10,122	10,064
Derivatives payable	43	105
	21,275	27,724
Net exposure	(10,134)	(16,378)

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 2015, 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)	
	2015	2014	2015	2014
	$000	$000	$000	$000
Consolidated				
Australian subsidiaries				
AUD/EURO + 5% (2014: + 5%)	(30)	15	(52)	(98)
AUD/EURO - 10% (2014: - 5%)	71	(17)	121	108
AUD/USD + 20% (2014: + 5%)	(16)	2	(48)	(11)
AUD/USD - 10% (2014: - 5%)	11	(2)	32	12
Slovenia and Ireland subsidiaries				
EURO/USD + 20% (2014: + 5%)	(25)	(25)	-	-
EURO/USD - 5% (2014: - 5%)	8	28	-	-
EURO/GBP + 10% (2014: nil)	5	-	-	-
EURO/GBP - 5% (2014: nil)	(3)	-	-	-
Croatia subsidiaries				
HRK/EURO + 5% (2014: + 5%)	512	537	-	-
HRK/EURO - 5% (2014: - 5%)	(566)	(593)	-	-
HRK/USD + 20% (2014: + 5%)	1	1	-	-
HRK/USD - 5% (2014: - 10%)	-	(3)	-	-
Singapore and Malaysia subsidiaries				
SGD/USD + 10% (2014: + 5%)	14	17	-	-
SGD/USD - 5% (2014: - 5%)	(8)	(18)	-	-
SGD/EURO + 5% (2014: + 10%)	(38)	(414)	-	-
SGD/EURO - 10% (2014: - 5%)	88	240	-	-
SGD/MYR + 10% (2014: + 5%)	(555)	65	-	-
SGD/MYR - 10% (2014: - 5%)	678	(72)	-	-
SGD/AUD + 5% (2014: + 5%)	2	2	-	-
SGD/AUD - 10% (2014: - 5%)	(5)	(2)	-	-
New Zealand subsidiaries/branches				
NZ/EURO + 5% (2014: + 5%)	(32)	(18)	-	-
NZ/EURO - 10% (2014: - 10%)	74	42	-	-
NZ/USD + 20% (2014: + 10%)	2	-	-	-
NZ/USD - 10% (2014: - 5%)	(1)	-	-	-

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 2-year historical data basis and market expectations for potential future movement. The sensitivities of post tax profit and other comprehensive income in 2015 are comparable to 2014.

(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 2015	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	151,752	19,677	-	-	14,411	185,840	0.20%-3.60%	0.01%-4.10%
Consumer finance loans	-	22	5	-	2,451	2,478	-	9.00%
Finance lease receivables	-	1,554	1,348	-	9,243	12,145	-	10.00%-12.00%
Trade debtors	-	-	-	-	1,107,957	1,107,957	-	-
Other financial assets	-	-	-	-	42,718	42,718	-	-
Non-trade debtors & loans	15,460	12,870	19,558	18,243	38,714	104,845	4.32%-12.22%	7.00%-12.00%
	167,212	34,123	20,911	18,243	1,215,494	1,455,983		
Financial liabilities								
Borrowings (*)	561,808	-	-	-	-	561,808	0.47%-5.93%	-
Interest rate swaps (notional amount)	-	(200,000)	-	-	-	(200,000)	-	5.21%-5.54%
Net exposure	*561,808*	*(200,000)*	-	-	-	*361,808*		
Trade creditors	-	-	-	-	813,474	813,474		
Other loans	89,928	-	-	-	89	90,017	3.07%-4.22%	-
Bank overdraft	32,620	-	-	-	-	32,620	1.97%-6.68%	-
Bills payable	9,750	-	-	-	-	9,750	2.08%-2.72%	
Finance lease liabilities	-	139	-	-	-	139	-	9.50%
Other financial liabilities	-	4,061	-	-	43	4,104	-	5.21%-5.54%
	694,106	4,200	-	-	813,606	1,511,912		

35. Financial Risk Management (continued)

(ii) Interest Rate Risk Management (continued)

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								
Borrowings (*)	606,751	-	-	-	-	606,751	0.46%-5.58%	-
Interest rate swaps (notional amount)	-	-	*(200,000)*	-	-	*(200,000)*	-	*5.21%-5.54%*
Net exposure	*606,751*	-	*(200,000)*	-	-	*406,751*		
Trade creditors	-	-	-	-	740,681	740,681	-	-
Other loans	52,844	-	14	-	6	52,864	3.60%-4.38%	9.50%
Bank overdraft	29,785	-	-	-	-	29,785	2.22%-6.60%	-
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		

* 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 2015, if interest rates had moved, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

35. Financial Risk Management (continued)

(ii) Interest Rate Risk Management (continued)

	CONSOLIDATED			
	Post tax profit		Other comprehensive income	
	increase/(decrease)		increase/(decrease)	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
If there was 50 (2014: 50) basis points higher in interest rates with all other variables held constant	**(2,034)**	(2,246)	**376**	1,075
If there was 50 (2014: 50) basis points lower in interest rates with all other variables held constant	**2,034**	2,246	**(376)**	(1,080)

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 2015 are less sensitive than the movements in 2014 because of a decrease in financial liabilities that are subject to variable interest rates. The movements in other comprehensive income in 2015 are less sensitive than the movements in 2014 because the remaining contract term of interest rate swaps which are designated as cash flow hedges are shorter than prior year.

(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 $27.08 million as at 30 June 2015 (2014: $23.30 million). The fair value of the equity investments publicly traded on the NZX was $13.48 million as at 30 June 2015 (2014: $12.78 million).

As at 30 June 2015, 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)	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
If there was 10% (2014: 10%) increase movement in equity prices with all other variables held constant	**1,939**	1,670	**1,348**	1,278
If there was 10% (2014: 10%) decrease movement in equity prices with all other variables held constant	**(1,939)**	(1,670)	**(1,348)**	(1,278)

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 debts receivables, 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 financial assets.

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 table below represents the financial assets of the consolidated entity by geographic location displaying the concentration of credit risk for each location as at balance date:

	CONSOLIDATED	
Location of credit risk	**2015 $000**	2014 $000
Australia	**1,165,996**	1,067,819
New Zealand	**25,133**	36,660
Asia	**16,968**	16,182
Slovenia and Croatia	**3,442**	3,695
Ireland and Northern Ireland	**2,827**	2,454
Total	**1,214,366**	1,126,810

(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 2015 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	185,840	-	-	-	185,840
Trade and other receivables	1,147,044	7,835	45,647	28,480	1,229,006
Other financial assets	26,083	-	-	16,570	42,653
Derivative financial assets					
Derivatives	64	-	-	-	64
Total financial assets	1,359,031	7,835	45,647	45,050	1,457,563
Non derivative financial liabilities					
Trade and other payables	813,474	-	-	-	813,474
Interest bearing loans and borrowings	421,447	98,169	202,681	-	722,297
Derivative financial liabilities					
Derivatives	4,104	-	-	-	4,104
Total financial liabilities	1,239,025	98,169	202,681	-	1,539,875
Net maturity	120,006	(90,334)	(157,034)	45,050	(82,312)

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	1,063,176	4,824	28,642	33,075	1,129,717
Other financial assets	21,596	-	-	16,176	37,772
Total financial assets	1,229,729	4,824	28,642	49,251	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	3,361	(11,141)	(203,836)	49,251	(162,365)

For detailed information on financing facilities available as at 30 June 2015 refer to Note 21.

35. Financial Risk Management (continued)

(e) Fair Value of Financial Assets and Financial Liabilities

The fair value of financial assets and financial liabilities are determined as follows:

- 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 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 consolidated entity enters into derivative financial instruments with various counterparties, particularly financial institutions with investment grade credit ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques which employs the use of market observable inputs.

The consolidated entity uses various methods in estimating the fair value of financial instruments. 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 2015 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	40,565	-	-	**40,565**
Foreign exchange contracts	-	64	-	**64**
Total Financial Assets	40,565	64	-	**40,629**
Financial Liabilities				
Foreign exchange contracts	-	43	-	**43**
Interest rate swaps	-	4,061	-	**4,061**
Total Financial Liabilities	-	4,104	-	**4,104**

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**

35. Financial Risk Management (continued)

(e) Fair Value of Financial Assets and Financial Liabilities (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 disclosed in Note 28(a) 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 at 30 June 2015 and 2014 were as follows:

	Consolidated	
	2015	2014
	$000	$000
Borrowings (a)	698,438	707,966
Less: Cash and cash equivalents	(185,840)	(144,957)
Net Debt (c)	512,598	563,009
Total equity (b)	2,578,910	2,513,156
Debt to equity ratio ((a)/(b))	27.08%	28.17%
Net debt to equity ratio ((c)/(b))	19.88%	22.40%

(a) Borrowings for the purpose of calculating this debt to equity ratio consists of:
- Bank overdraft;
- Other short-term borrowings;
- Syndicated facility agreement (current and non-current);
- Commercial bills payable (current);
- Derivatives payable; 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 (2014: $22.05 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	
	2015	2014
	$000	$000
Current Assets		
Forward currency contracts – held for trading	**25**	-
Forward currency contracts – cash flow hedges	**39**	-
Current Liabilities		
Interest swap contracts – cash flow hedges	**4,061**	-
Forward currency contracts – held for trading	**41**	87
Forward currency contracts – cash flow hedges	**2**	18
Non-current Liabilities		
Interest swap contracts – cash flow hedges	**-**	8,711

(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			
			2015		2014	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2015	2014	$000	$000	$000	$000
Euro (0-12 months)	**68.58**	68.35	**7,487**	**-**	8,249	-
US Dollar (0-12 months)	**77.13**	92.19	**417**	**-**	179	-
Total			**7,904**	**-**	8,428	-

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 $0.02 million for the consolidated entity (2014: $0.09 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			
			2015		2014	
Currency	Average Exchange Rate		Buy	Sell	Buy	Sell
	2015	2014	$000	$000	$000	$000
Euro (0-12 months)	**70.50**	68.67	**1,481**	**-**	2,876	-
US Dollar (0-12 months)	**76.30**	93.59	**403**	**-**	317	-
Total			**1,884**	**-**	3,193	-

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 (2014: 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	
	2015	2014
	$000	$000
	Increase/(Decrease)	
Opening balance	**(13)**	7
Transferred to inventory	**13**	(7)
Charged to other comprehensive income	**25**	(13)
Closing balance	**25**	(13)

(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 2015			
1 to 5 years	5.38%	200,000	(4,061)
30 June 2014			
1 to 5 years	5.38%	200,000	(8,711)

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	
	2015	2014
	$000	$000
	Increase/(Decrease)	
Opening balance	**(6,097)**	(8,831)
Transferred to interest expense	**-**	54
Charged to equity	**3,255**	2,680
Closing balance	**(2,842)**	(6,097)

37. Investments Accounted for Using Equity Method

	CONSOLIDATED Investment		CONSOLIDATED Share of pre tax profit	
	June 2015 $000	June 2014 $000	June 2015 $000	June 2014 $000
Total joint venture entities accounted for using equity method	21,425	24,912	8,658	17,501

Name and Principal Activities	Ownership Interest		Contribution to Pre Tax Profit / (Loss)	
	June 2015 %	June 2014 %	June 2015 $000	June 2014 $000
Noarlunga (Shopping complex)	50%	50%	1,470	973
Perth City West (Shopping complex)	50%	50%	4,344	4,246
Tweed Heads Expo Park (c) (Shopping complex)	100%	100%	-	392
Warrawong King St (a) (Shopping complex)	62.5%	62.5%	1,246	1,008
Tweed Heads Traders Way (c) (Shopping complex)	100%	100%	-	22
Byron Bay (Residential/convention development)	50%	50%	(706)	(730)
Byron Bay – 2 (Resort operations)	50%	50%	1,004	830
Dubbo (Shopping complex)	50%	50%	672	603
Bundaberg (c) (Warehouse)	100%	100%	-	(2)
Bundaberg – 2 (Land held for investment)	50%	50%	(4)	(4)
Gepps Cross (Shopping complex)	50%	50%	2,708	2,855
QCV (b) (Miners residential complex)	50%	50%	(3,630)	9,712
Lincoln Junction (New Zealand)	50%	50%	1,554	-
KEH Partnership (Retailer)	50%	50%	-	(2,404)
			8,658	17,501

(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 $10.30 million plus interest and costs with a maturity date of 15 December 2015. HNHL has granted a joint and several guarantee to ANZ in respect of this facility.
- (ii) finance facilities from Network Consumer Finance ("NCF"), a wholly-owned subsidiary of HNHL for the amount of $31.75 million plus interest and costs, with maturity dates up to 28 February 2016.

(c) The consolidated entity acquired the remaining 50% interest in these joint ventures in the prior year. 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.

Impairment of an equity-accounted investment in a mining camp joint venture:
Management has assessed the recoverability of the equity-accounted investments in the mining camp joint ventures as at 30 June 2015. Falling commodity prices and the sharp slowdown in the mining sector over the past year has resulted in a deterioration of the trading performance of several mining camp joint ventures. As a result, an impairment loss of $0.27 million was recognised to reduce the carrying amount of the equity-accounted investment to recoverable amount.

Management has determined the cash generating unit to be the underlying mining camp joint venture. The recoverable amount for this cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2015 for a five-year period, based on financial budgets approved by senior management, and the assets held as security. The pre-tax discount rate applied to the cash flow projections was 15.0%. Cash flows were limited to five years due to the inherent risks associated with the mining industry.

Each of the key assumptions in the impairment assessment is subject to significant judgement about future economic conditions and its impact on the ongoing trading performance of the mining camp ventures and the possible commencement of future projects which are currently out to tender. Management has applied their best estimates, based on the available information, to each of these variables to assess the recoverable amount of equity accounted investments as at balance date.

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, 28]
Anwarah Pty Limited[1, 28]
Arisit Pty Limited[1, 2]
Arlenu Pty Limited[1, 28]
Armidale Holdings Pty Limited[21]
Arpayo Pty Limited[1, 28]
Aubdirect Pty Limited
Australian Business Skills Centre Pty Limited[23]
Balwondu Pty Limited[1, 28]
Barrayork Pty Limited
Becto Pty Limited[1, 28]
Bellevue Hill Pty Limited
Bencoolen Properties Pte Limited [11,16]
Bestest Pty Limited[1, 28]
Bossee Pty Limited
Bradiz Pty Limited[1, 28]
Braxpine Pty Limited[1, 28]
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, 28]
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, 28]
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, 28]
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 Limited
Calardu Jandakot No. 1 Pty Limited
Calardu Jandakot Pty Limited
Calardu Joondalup Pty Limited[1, 28]
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 Limited[1, 28]
Calardu Marion Pty Limited[1, 28]
Calardu Maroochydore Pty Limited
Calardu Maroochydore Warehouse Pty Limited
Calardu Maryborough Pty Limited
Calardu Melville Pty Limited[1, 28]
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 Limited[1, 28]
Calardu North Ryde No. 1 Pty Limited
Calardu North Ryde Pty Limited
Calardu Northbridge Pty Limited[1, 28]
Calardu Nowra Pty Limited
Calardu Penrith Pty Limited[1, 28]
Calardu Perth City West Pty Limited
Calardu Port Macquarie Pty Limited[1, 28]
Calardu Preston Pty Limited[1, 28]
Calardu Pty Limited[1, 28]
Calardu Queensland Pty Limited[1, 28]
Calardu Raine Square Pty Limited
Calardu Richmond Pty Limited[1, 28]
Calardu Rockhampton Pty Limited
Calardu Rockingham Pty Limited[1, 28]
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 Limited[1, 28]
Calardu Springvale Pty Limited
Calardu Surry Hills Pty Limited
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 Limited[1, 28]
Calardu Tweed Heads Traders Way Pty Limited
Calardu Vicfurn Pty Limited
Calardu Victoria Pty Limited[1, 28]
Calardu Warrawong (Homestarters) Pty Limited
Calardu Warrawong Pty Limited
Calardu Warrnambool Pty Limited[1, 28]
Calardu Warwick Pty Limited
Calardu West Gosford Pty Limited
Calardu Whyalla Pty Limited
Calardu Wivenhoe Pty Limited
Cannonel Recovery Pty Limited

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

Carlando Pty Limited[1, 28]
Charmela Pty Limited[1, 28]
Clambruno Pty Limited[1, 28]
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 Limited[1, 28]
D.M. Alexandria Leasing Pty Limited
D.M. Alexandria Licencing Pty Limited
D.M. Auburn Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
D.M. Fyshwick Leasing Pty Limited
D.M. Kotara Franchisor Pty Limited[1, 28]
D.M. Kotara Leasing Pty Limited
D.M. Leicht Franchisor Pty Limited
D.M. Liverpool Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
D.M. Penrith Leasing Pty Limited
D.M. QVH Franchisor Pty Limited[1, 28]
D.M. QVH Leasing Pty Limited
D.M. Springvale Franchisor Pty Limited
D.M. Springvale Leasing Pty Limited
D.M. Warrawong Franchisor Pty Limited[1, 28]
D.M. Warrawong Leasing Pty Limited
D.M. West Gosford Franchisor Pty Ltd[1, 28]
D.M. West Gosford Leasing Pty Ltd
Daldere Pty Limited[1, 28]
Dandolena Pty Limited[1, 28]
Derni Pty Limited[1, 2, 28]
Divonda Pty Limited[1, 28]
DM Online Franchisor Pty Limited
DM Online Leasing Pty Limited
Domain Holdings Pty Limited
Domayne Furnishing Pty Limited
Domayne Holdings Limited[9, 10]
Domayne Online.com Pty Limited
Domayne P.E.M. Pty Limited[1, 28]
Domayne Plant & Equipment Pty Limited[1, 28]
Domayne Pty Limited
Dubbo JV Pty Limited
Durslee Pty Limited[1, 28]
Edbrook Everton Park Pty Limited
Edbrook Pty Limited[1, 6, 28]
Elitetrax Properties Sdn Bhd[13]
Energy Incentive Team Pty Limited
Farane Pty Limited[1, 28]
Flormonda Pty Limited[1, 28]
Forgetful Pty Limited
Ganoru Pty Limited[1, 28]
Generic Publications Pty Limited
Geraldton WA Pty Limited
Gestco Greensborough Pty Limited[1, 28]
Gestco Pty Limited[1, 28]
Glo Light Pty Limited[22]
H.N. Adelaide CK Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Albany Leasing Pty Limited
H.N. Albury Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Armadale WA Leasing Pty Limited
H.N. Armidale Franchisor Pty Limited[1, 28]
H.N. Armidale Leasing Pty Limited
H.N. Aspley Franchisor Pty Limited[1, 28]
H.N. Aspley Leasing Pty Limited
H.N. Atherton Franchisor Pty Limited
H.N. Atherton Leasing Pty Limited
H.N. Auburn Franchisor Pty Limited[1, 28]
H.N. Auburn Leasing Pty Limited
H.N. Ayr Franchisor Pty Limited[1, 28]
H.N. Ayr Leasing Pty Limited
H.N. Bairnsdale Franchisor Pty Limited[1, 28]
H.N. Bairnsdale Leasing Pty Limited
H.N. Balgowlah Franchisor Pty Limited[1, 28]
H.N. Balgowlah Leasing Pty Limited
H.N. Ballarat Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Bathurst Leasing Pty Limited
H.N. Belmont Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Bendigo Leasing Pty Limited
H.N. Bernoth Franchisor Pty Limited[1, 28]
H.N. Bernoth Leasing Pty Limited
H.N. Bernoth Plant & Equipment Pty Limited[1, 28]
H.N. Blacktown Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Broadway (Sydney) Leasing Pty Limited
H.N. Broadway on the Mall Franchisor Pty Limited[1, 28]
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

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

H.N. Brooklyn Leasing Pty Limited
H.N. Browns Plains Franchisor Pty Limited[1, 28]
H.N. Browns Plains Leasing Pty Limited
H.N. Bunbury Franchisor Pty Limited[1, 28]
H.N. Bunbury Leasing Pty Limited
H.N. Bundaberg Franchisor Pty Limited[1, 28]
H.N. Bundaberg Leasing Pty Limited
H.N. Bundall Franchisor Pty Limited[1, 28]
H.N. Bundall Leasing Pty Limited
H.N. Burleigh Heads Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Busselton Leasing Pty Limited
H.N. Cairns Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Campbelltown Leasing Pty Limited
H.N. Cannington W.A. Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Carindale Leasing Pty Limited
H.N. Caringbah Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Chatswood Leasing Pty Limited
H.N. Chirnside Park Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Coffs Harbour Leasing Pty Limited
H.N. Coorparoo Franchisor Pty Limited
H.N. Coorparoo Leasing Pty Limited
H.N. Cranbourne Franchisor Pty Limited[1, 28]
H.N. Cranbourne Leasing Pty Limited
H.N. Dalby Franchisor Pty Limited[1, 28]
H.N. Dalby Leasing Pty Limited
H.N. Dandenong Franchisor Pty Limited[1, 28]
H.N. Dandenong Leasing Pty Limited
H.N. Darwin Franchisor Pty Limited[1, 28]
H.N. Darwin Leasing Pty Limited
H.N. Deniliquin Franchisor Pty Limited[1, 28]
H.N. Deniliquin Leasing Pty Limited
H.N. Dubbo Franchisor Pty Limited[1, 28]
H.N. Dubbo Leasing Pty Limited
H.N. Edgewater Franchisor Pty Limited
H.N. Edgewater Leasing Pty Limited
H.N. Education Franchisor Pty Limited
H.N. Education Leasing Pty Limited
H.N. Emerald Franchisor Pty Limited
H.N. Emerald Leasing Pty Limited
H.N. Energy IP Licensing Pty Limited[7]
H.N. Enfield Franchisor Pty Limited[1, 28]
H.N. Enfield Leasing Pty Limited
H.N. Everton Park Franchisor Pty Limited[1, 28]
H.N. Everton Park Leasing Pty Limited
H.N. Fortitude Valley Franchisor Pty Limited[1, 28]
H.N. Fortitude Valley Leasing Pty Limited
H.N. Frankston Franchisor Pty Limited
H.N. Frankston Leasing Pty Limited
H.N. Fremantle Franchisor Pty Limited[1, 28]
H.N. Fremantle Leasing Pty Limited
H.N. Fyshwick Franchisor Pty Limited[1, 28]
H.N. Fyshwick Leasing Pty Limited
H.N. Geelong Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Gladstone Franchisor Pty Limited[1, 28]
H.N. Gladstone Leasing Pty Limited
H.N. Gordon Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Greensborough Leasing Pty Limited
H.N. Griffith Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Hamilton Leasing Pty Limited
H.N. Hervey Bay Franchisor Pty Limited[1, 28]
H.N. Hervey Bay Leasing Pty Limited
H.N. Hoppers Crossing Franchisor Pty Limited[1, 28]
H.N. Hoppers Crossing Leasing Pty Limited
H.N. Horsham Franchisor Pty Limited[1, 28]
H.N. Horsham Leasing Pty Limited
H.N. Hyperdome Franchisor Pty Limited
H.N. Hyperdome Leasing Pty Limited
H.N. Indooroopilly Franchisor Pty Limited[1, 28]
H.N. Indooroopilly Leasing Pty Limited
H.N. Innisfail Franchisor Pty Limited[1, 28]
H.N. Innisfail Leasing Pty Limited
H.N. Inverell Franchisor Pty Limited[1, 28]
H.N. Inverell Leasing Pty Limited
H.N. Ipswich Franchisor Pty Limited
H.N. Ipswich Leasing Pty Limited
H.N. Joondalup Franchisor Pty Limited[1, 28]
H.N. Joondalup Leasing Pty Limited
H.N. Kalgoorlie Franchisor Pty Limited[1, 28]
H.N. Kalgoorlie Leasing Pty Limited
H.N. Karratha Franchisor Pty Limited[1, 28]
H.N. Karratha Leasing Pty Limited
H.N. Kawana Waters Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Leichhardt Leasing Pty Limited
H.N. Lismore Franchisor Pty Limited[1, 28]
H.N. Lismore Leasing Pty Limited
H.N. Lithgow Franchisor Pty Limited
H.N. Lithgow Leasing Pty Limited
H.N. Liverpool Franchisor Pty Limited[1, 28]
H.N. Liverpool Leasing Pty Limited
H.N. Loganholme Franchisor Pty Limited[1, 28]
H.N. Loganholme Leasing Pty Limited
H.N. Loughran Contracting Pty Limited
H.N. Macgregor Franchisor Pty Limited
H.N. Macgregor Leasing Pty Limited
H.N. Mackay Franchisor Pty Limited[1, 28]
H.N. Mackay Leasing Pty Limited
H.N. Maddington Franchisor Pty Limited[1, 28]
H.N. Maddington Leasing Pty Limited
H.N. Maitland Franchisor Pty Limited[1, 28]
H.N. Maitland Leasing Pty Limited
H.N. Malaga Franchisor Pty Limited
H.N. Malaga Leasing Pty Limited

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

H.N. Mandurah Franchisor Pty Limited[1, 28]
H.N. Mandurah Leasing Pty Limited
H.N. Maribyrnong Franchisor Pty Limited[1, 28]
H.N. Maribyrnong Leasing Pty Limited
H.N. Marion Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Maroochydore Leasing Pty Limited
H.N. Martin Place Sydney Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Midland Leasing Pty Limited
H.N. Mildura Franchisor Pty Limited[1, 28]
H.N. Mildura Leasing Pty Limited
H.N. Moe Franchisor Pty Limited[1, 28]
H.N. Moe Leasing Pty Limited
H.N. Moonah Franchisor Pty Limited
H.N. Moonah Leasing Pty Limited
H.N. Moorabbin Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Moore Park Leasing Pty Limited
H.N. Morayfield Franchisor Pty Limited[1, 28]
H.N. Morayfield Leasing Pty Limited
H.N. Moree Franchisor Pty Limited
H.N. Moree Leasing Pty Limited
H.N. Morley Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Mt Gambier Leasing Pty Limited
H.N. Mt Gravatt Franchisor Pty Limited[1, 28]
H.N. Mt Gravatt Leasing Pty Limited
H.N. Mt Isa Franchisor Pty Limited[1, 28]
H.N. Mt Isa Leasing Pty Limited
H.N. Mt Isa Franchisor Pty Limited[1, 28]
H.N. Mudgee Leasing Pty Limited
H.N. Munno Para Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Noarlunga Leasing Pty Limited
H.N. Noosa Franchisor Pty Limited[1, 28]
H.N. Noosa Leasing Pty Limited
H.N. Norwest Franchisor Pty Limited
H.N. Norwest Leasing Pty Limited
H.N. Nowra Franchisor Pty Limited[1, 28]
H.N. Nowra Leasing Pty Limited
H.N. Nunawading Franchisor Pty Limited[1, 28]
H.N. Nunawading Leasing Pty Limited
H.N. O'Connor Franchisor Pty Limited[1, 28]
H.N. O'Connor Leasing Pty Limited
H.N. Oakleigh CK Franchisor Pty Limited[1, 28]
H.N. Oakleigh CK Leasing Pty Limited
H.N. Orange Franchisor Pty Limited[1, 28]
H.N. Orange Leasing Pty Limited
H.N. Osborne Park Franchisor Pty Limited[1, 28]
H.N. Osborne Park Leasing Pty Limited
H.N. Oxley Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Parkes Leasing Pty Limited
H.N. Penrith Franchisor Pty Limited[1, 28]
H.N. Penrith Leasing Pty Limited
H.N. Peppermint Grove Franchisor Pty Limited[1, 28]
H.N. Peppermint Grove Leasing Pty Limited
H.N. Port Hedland Franchisor Pty Limited[1, 28]
H.N. Port Hedland Leasing Pty Limited
H.N. Port Kennedy Franchisor Pty Limited[1, 28]
H.N. Port Kennedy Leasing Pty Limited
H.N. Port Lincoln Franchisor Pty Limited[7]
H.N. Port Lincoln Leasing Pty Limited7
H.N. Port Macquarie Franchisor Pty Limited[1, 28]
H.N. Port Macquarie Leasing Pty Limited
H.N. Preston Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
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 Limited[1, 28]
H.N. Sale Leasing Pty Limited
H.N. Shepparton Franchisor Pty Limited[1, 28]
H.N. Shepparton Leasing Pty Limited
H.N. South Tweed Franchisor Pty Limited[1, 28]
H.N. South Tweed Leasing Pty Limited
H.N. Southland Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Swan Hill Leasing Pty Limited
H.N. Tamworth Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Toowoomba Leasing Pty Limited
H.N. Townsville Franchisor Pty Limited[1, 28]
H.N. Townsville Leasing Pty Limited
H.N. Traralgon Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
H.N. Wagga Leasing Pty Limited
H.N. Wangaratta Franchisor Pty Limited[1, 28]
H.N. Wangaratta Leasing Pty Limited
H.N. Warragul Franchisor Pty Limited[1, 28]
H.N. Warragul Leasing Pty Limited
H.N. Warrawong Franchisor Pty Limited[1, 28]
H.N. Warrawong Leasing Pty Limited
H.N. Warrnambool Franchisor Pty Limited[1, 28]
H.N. Warrnambool Leasing Pty Limited
H.N. Warwick (WA) Franchisor Pty Limited[1, 28]
H.N. Warwick (WA) Leasing Pty Limited
H.N. Warwick Franchisor Pty Limited[1, 28]
H.N. Warwick Leasing Pty Limited
H.N. Watergardens Franchisor Pty Limited[1, 28]
H.N. Watergardens Leasing Pty Limited
H.N. Waurn Ponds Franchisor Pty Limited[1, 28]
H.N. Waurn Ponds Leasing Pty Limited
H.N. West Gosford Franchisor Pty Limited[1, 28]
H.N. West Wyalong Franchisor Pty Limited
H.N. West Wyalong Leasing Pty Limited
H.N. Whyalla Franchisor Pty Limited[1, 28]
H.N. Whyalla Leasing Pty Limited

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

H.N. Wiley Park Franchisor Pty Limited[1, 28]
H.N. Wiley Park Leasing Pty Limited
H.N. Windsor Franchisor Pty Limited[1, 28]
H.N. Windsor Leasing Pty Limited
H.N. Woden Franchisor Pty Limited[1, 28]
H.N. Woden Leasing Pty Limited
H.N. Wonthaggi Franchisor Pty Limited[1, 28]
H.N. Wonthaggi Leasing Pty Limited
H.N. Woodville Franchisor Pty Limited
H.N. Woodville Leasing Pty Limited
H.N. Young Franchisor Pty Limited[1, 28]
H.N. Young Leasing Pty Limited
Hardly Normal Discounts Pty Limited[1, 28]
Hardly Normal Limited[9,10]
Hardly Normal Pty Limited[1, 28]
Harvey Cellars Pty Limited
Harvey Liquor Pty Limited
Harvey Norman (ACT) Pty Limited[1, 28]
Harvey Norman (N.S.W.) Pty Limited
Harvey Norman (QLD) Pty Limited[1, 6, 28]
Harvey Norman 2007 Management Pty Limited
Harvey Norman Big Buys Pty Limited
Harvey Norman Burnie Franchisor Pty Limited[1, 28]
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 Limited[1, 28]
Harvey Norman Devonport Leasing Pty Limited
Harvey Norman Education and Training Pty Limited
Harvey Norman Energy Pty Limited[1, 28]
Harvey Norman Europe d.o.o[12]
Harvey Norman Export Pty Limited[1, 28]
Harvey Norman Fitouts Pty Limited
Harvey Norman Furnishing Pty Limited
Harvey Norman Gamezone Pty Limited
Harvey Norman Glenorchy Franchisor Pty Limited[1, 28]
Harvey Norman Glenorchy Leasing Pty Limited
Harvey Norman Hobart Franchisor Pty Limited[1, 28]
Harvey Norman Hobart Leasing Pty Limited
Harvey Norman Holdings (Ireland) Limited[15]
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, 28]
Harvey Norman Launceston Leasing Pty Limited
Harvey Norman Leasing (Blanchardstown) Limited[18,15]
Harvey Norman Leasing (Carrickmines) Limited [18,15]
Harvey Norman Leasing (Castlebar) Limited [18,15]
Harvey Norman Leasing (Cork) Limited[18,15]
Harvey Norman Leasing (Drogheda) Limited[18,15]
Harvey Norman Leasing (Dublin) Limited[18,15]
Harvey Norman Leasing (Dundalk) Limited[18,15]
Harvey Norman Leasing (Eastgate) Limited[18,15]
Harvey Norman Leasing (Limerick) Limited[18,15]
Harvey Norman Leasing (Mullingar) Limited[18,15]
Harvey Norman Leasing (N.Z.) Limited[9,10]
Harvey Norman Leasing (Naas) Limited[18,15]
Harvey Norman Leasing (NI) Limited[18,15]
Harvey Norman Leasing (Rathfarnham) Limited[18,15]
Harvey Norman Leasing (Tralee) Limited[18,15]
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, 28]
Harvey Norman OFIS Pty Limited[1, 28]
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, 28]
Harvey Norman Rosney Franchisor Pty Limited[1, 28]
Harvey Norman Rosney Leasing Pty Limited
Harvey Norman Security Pty Limited
Harvey Norman Shopfitting Pty Limited[1, 28]
Harvey Norman Singapore Pte Limited[11,19,16]
Harvey Norman Stores (N.Z.) Pty Limited[1, 28]
Harvey Norman Stores (W.A.) Pty Limited
Harvey Norman Stores Pty Limited[1, 28]
Harvey Norman Superlink Pty Limited
Harvey Norman Tasmania Pty Limited
Harvey Norman Technology Pty Limited[1, 28]
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, 28]
Harvey Norman Ulverstone Leasing Pty Limited
Harvey Norman Victoria Pty Limited[1, 28]
Harvey Norman Zagreb d.o.o.[14]
Havrex Pty Limited [1, 6, 28]
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 Coomboona Pty Limited[7]
HN Downing Street Leasing Limited[10,9]
HN Edmonton Road Leasing Limited[10,9]
HN Hamilton Central Leasing Limited[7,9,10]
HN Harris Road Leasing Limited[7,9,10]
HN Hornby Leasing Limited[10,9]
HN Lincoln Centre Leasing Limited[10,9]
HN Manukau Leasing Limited[10,9]
HN Mowbray Street Leasing Limited[9,10]
HN Mt Roskill Leasing Limited[9, 10]
HN Napier Leasing Limited[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
HN QCV Bottle Tree Pty Limited[7]
HN QCV Concepts Pty Limited
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 QCV Toowoomba Land Pty Limited[7]
HN QCV Toowoomba Pty Limited[7]
HN Tauranga Leasing Limited[9, 10]
HN Tory Street Leasing Limited[9,10]
HN Tower Junction Leasing Limited[9,10]
HN Westgate Leasing Limited[9,10]
HN Woolston Leasing Limited [9,10]
HN Zagreb Investment Pty Limited
HNL Pty Limited
HNM Galaxy Pty Limited[7]
Hodberg Pty Limited[1,5,28]
Hodvale Pty Limited[1, 5, 28]
Home Mart Furniture Pty Limited
Home Mart Pty Limited
Hoxco Pty Limited[1,6,28]
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, 28]
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, 28]
J.M. Campbelltown Leasing Pty Limited
J.M. Caringbah Franchisor Pty Limited[1, 28]
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, 28]

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

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. Marrickville Franchisor Pty Limited[1, 28]
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, 28]
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, 28]
JM Online Franchisor Pty Limited
JM Online Leasing Pty Limited
Jondarlo Pty Limited[1, 28]
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, 28]
Kita Pty Limited[1, 28]
Kitchen Point Pty Limited

Koodero Pty Limited[1, 28]
Korinti Pty Limited[1, 28]
Lamino Pty Limited[1, 28]
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
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

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings 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, 28]
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 Kewdale Pty Limited7
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
Lesandu Port Macquarie Pty Limited
Lesandu Pty Limited[1, 28]
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 Shepparton Pty Limited7
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, 28]
Lesandu Underwood Pty Limited
Lesandu WA Furniture Pty Limited
Lesandu WA Pty Limited[1, 28]
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, 28]
Lightcorp Pty Limited
Lighting Venture Pty Limited[1, 28]
Lodare Pty Limited[1, 28]
Loreste Pty Limited[1, 28]
Malvis Pty Limited[1, 28]
Manutu Pty Limited[1, 28]
Maradoni Pty Limited[1, 28]
Marinski Pty Limited[1, 28]
Mega Flooring Depot Pty Limited
Misstar Pty Limited
Murray Street Development Pty Limited
Mymasterpiece Pty Limited [5]
Nedcroft Pty Limited[1, 28]
Network Consumer Finance (Ireland) Limited[18,15]
Network Consumer Finance (N.Z.) Limited[9,10]
Network Consumer Finance Pty Limited[1, 28]
Nomadale Pty Limited[1,6,28]
Norman Ross Limited [9,10]
Norman Ross Pty Limited[1, 28]
Oldmist Pty Limited[1, 28]
Oslek Developments Pty Limited
Osraidi Pty Limited[1, 28]
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

38. Controlled Entities and Unit Trusts (continued)

Shares held by Harvey Norman Holdings Limited

PEM Corporate Pty Limited
Pertama Holdings Pte Limited [11,16,17]
Plezero Pty Limited[1, 28]
Poliform Pty Limited[26]
R.Reynolds Nominees Pty Limited
Recline A Way Franchisor Pty Limited
RH Online Pty Limited
Rosieway Pty Limited[1, 28]
Sarsha Pty Limited[1]
Setto Pty Limited[1, 28]
Shakespir Pty Limited
Signature Computers Pty Limited
Solaro Pty Limited[1, 28]
Space Furniture Pte Limited[11,16]
Space Furniture Pty Limited[3]
Spacepol Pty Limited
Steamstyle Venture Pty Limited[7]
Stonetess Pty Limited[1, 28]
Stores (NZ) Limited [9,10]
Stores Securitisation (NZ) Limited[10]
Stores Securitisation Pty Limited
Strathloro Pty Limited[1, 28]
Stupendous Pty Limited[1,20,28]
Superguard Pty Limited
Swaneto Pty Limited [1,28]
Swanpark Pty Limited[1,6,28]
Tatroko Pty Limited[1, 28]
Tessera Stones & Tiles Australia Pty Limited
Tessera Stones & Tiles Pty Limited[1,8,28]
The Byron At Byron Pty Limited[1, 28]
Tisira Pty Limited[1, 28]
Valecomp Recovery Pty Limited
Ventama Pty Limited[1,4,28]
Wadins Pty Limited[1, 28]
Waggafurn Pty Limited
Wanalti Pty Limited[1, 28]
Warungi Pty Limited[1, 28]
Waytango Pty Limited[1, 28]
Webzone Pty Limited
Wytharra Pty Limited[1, 28]
Yoogalu Pty Limited[1,2]
Zabella Pty Limited[1, 28]
Zavarte Pty Limited[1, 28]
Zirdano Pty Limited[1, 28]
Zirdanu Pty Limited[1, 28]

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% 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 65% 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 Company has been released from the obligations under the Deed of Cross Guarantee pursuant to the Revocation Deed lodged with ASIC on 29 June 2015.

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
Albanstore No. 2 Trust**
Alburfurn No. 2 Trust**
Alexall No. 2 Trust
Alexstore No. 2 Trust****
Alice Springs Superstore No 2 Trust****
Alifurn No. 2 Trust**
Alispravit No. 2 Trust**
Allavit No. 2 Trust**
Annafurn No. 2 Trust**
Annastore No.2 Trust****
Ariley No. 2 Trust**
Armagar No. 2 Trust****
Armateha No. 2 Trust**
Armavit No. 2 Trust
Aspbray Floors 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
Avitbury No. 2 Trust**
Avitinnis No. 2 Trust**
Avitmaroo No. 2 Trust
Aviton No. 2 Trust****
Avitroo 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****
Belmontavit No.2 Trust****
Belmsuper No. 2 Trust**
Belnorth No 2 Trust
Belstore No 2 Trust
Benavit No. 2 Trust
Bevben No. 2 Trust**
Bieravit No 2 Trust****
Big Apple Trust
Birfurn No. 2 Trust
BP Bedding No. 2 Trust****
BP Superstore No 2 Trust****
Brankwirth No.2 Trust****
Broadavit No. 2 Trust
Broflooring No. 2 Trust**
Bunburel No. 2 Trust
Bunbury Store 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
Burlavit 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
Cairnstore 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 Coomera 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

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

Calardu Loganholme Trust
Calardu Lutwyche 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 No. 3 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
Canningfloors No. 2 Trust**
Cannonel No. 2 Trust
Cannonfurn No. 2 Trust**
Cannonvale Superstore No 2 Trust
Cannters No. 2 Trust
Capafloor No 2 Trust
Capalaba Superstore No 2 Trust
Capavit 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
CBG Trust
Cellorstore No. 2 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
Citiwestfurn No. 2 Trust**
Citiwestware No. 2 Trust****
Cityware No 2 Trust
Clemsonstore No 2 Trust****
Clevavit No. 2 Trust****
Clevcom No. 2 Trust
Clevestore No. 2 Trust**
Clevtec No. 2 Trust**
Comaub No. 2 Trust
Comcam No. 2 Trust
Comgos No.2 Trust
Comhill No. 2 Trust
Comkaw No. 2 Trust
Commcom 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
Dalavit No. 2 Trust**
Dalbavit No 2 Trust
Dalbenic No. 2 Trust**
Dalby Store No 2 Trust****
Dallcom No. 2 Trust
Dalltec No. 2 Trust
Daltel No. 2 Trust
Daravit No. 2 Trust
Darwin Superstore No. 2 Trust
Dawnlect No. 2 Trust**
Dayavit No. 2 Trust**
Designal No. 2 Trust****
Dorebed No. 2 Trust**
Dorewares No. 2 Trust**
Doveberg No. 2 Trust****
Durahavit No. 2 Trust**
Durahbed No. 2 Trust****
Eastcentre No. 2 Trust**
Eastore No. 2 Trust
Edgecentre No. 2 Trust**
Edgerovic No. 2 Trust**
Edgestore No 2 Trust
Emerstore No. 2 Trust**
Energy Incentive Team Trust
Etonfurn No. 2 Trust**
Everton Park Superstore No. 2 Trust****
Fifel No 2 Trust
Filfurn No. 2 Trust
Flanerton No. 2 Trust**
Floorbury No. 2 Trust**
Floorcom No. 2 Trust

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

Floorley No 2 Trust
Floorlog No. 2 Trust**
Floormunno No 2 Trust
Floorox No 2 Trust
Floorpara No. 2 Trust****
Fortley No. 2 Trust
Fremstore No. 2 Trust
Furnba 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
Gambieravit No. 2 Trust**
Gambierstore 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****
Geranfurn No. 2 Trust**
Geravit No. 2 Trust****
Gervafurn No. 2 Trust**
Gladavit No 2 Trust
Gladfurn 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****
Gympiefurn No. 2 Trust**
Gymstore No. 2 Trust****
Gymteha No 2 Trust
H.N. Cards Trust
Hammastore No. 2 Trust**
Hampstore No. 2 Trust
Hamptonavit No. 2 Trust****
Hartlect 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
Hedstore No. 2 Trust**
Helect No. 2 Trust
Herveyfurn No. 2 Trust
Hillware No. 2 Trust**
HN Coomboona Trust**
HN QCV Blackwater Land Trust**
HN QCV Sarina Land Trust
HNM Galaxy Unit Trust**
Holmefurn No. 2 Trust****
Homefurn No. 2 Trust
Huffurn No 2 Trust
Hushbara No. 2 Trust
Iainbed No. 2 Trust**
Indavit No. 2 Trust
Innavit No. 2 Trust****
Innisavit No. 2 Trust**
Inrolect No. 2 Trust
Ipavit No 2 Trust
Ipsavit 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
Kalgoostore No. 2 Trust**
Kalgor No. 2 Trust
Kalinya Unit Trust
Karratha Superstore No 2 Trust
Karravit No. 2 Trust**
Kawstore No. 2 Trust
Kaystore No 2 Trust****
Kennavit No. 2 Trust**
Kennyfurn No. 2 Trust**
Keybed No. 2 Trust****
Kingavit No 2 Trust
Kitgan No. 2 Trust**
Krukeen No. 2 Trust**
KW Superstore No. 2 Trust
Labafloors No. 2 Trust****
Lagavit 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****
Landfurn No. 2 Trust**
Lanfleg No. 2 Trust****
Lectfield No. 2 Trust****
Leighavit 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
Loganholme Superstore No. 2 Trust**
Lokstall No 2 Trust
Loravit No 2 Trust
Lunavit No 2 Trust
Lunbeds No. 2 Trust**
Mackavit No. 2 Trust****
Mackaystore No. 2 Trust****
Mackstore No 2 Trust
Malafloor No. 2 Trust**
Malaga Store No. 2 Trust**
Mallavit No 2 Trust
Mallway No. 2 Trust
Mandfurn 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
Maroochybed No. 2 Trust**
Maroochyfloor No 2 Trust
Maroostore No. 2 Trust
Maroosuper No. 2 Trust**
Maryavit No. 2 Trust**
Marystore No.2 Trust****
Matfloors No 2 Trust
Mattnorm No. 2 Trust**
Maynefloors No. 2 Trust**
MH Bedding No 2 Trust

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

Michomar No. 2 Trust****
Midavit No. 2 Trust**
Midland Beds No. 2 Trust**
Mintavit No 2 Trust
Mionfloor No. 2 Trust
MJW Flooring No. 2 Trust
Moldarno No. 3 Trust
Montavit No 2 Trust
Montfurn No. 2 Trust**
Montstore No 2 Trust
Moorastore No 2 Trust
Morayfield Furniture No. 2 Trust**
Morayfield Superstore No. 2 Trust****
Moraytec No. 2 Trust****
Mt Barker Superstore No. 2 Trust
Mt Druitt Superstore No. 2 Trust**
Mt Gamstore 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****
Norstore No. 2 Trust**
Norwest Superstore No. 2 Trust
Notlessub No. 2 Trust****
Oconavit No. 2 Trust
O'Connor Beds No. 2 Trust****
Orfurn No. 2 Trust**
Osborne Park Superstore No 2. Trust**
Oslect No. 2 Trust
Oslek Developments Trust
Oxley Superstore No. 2 Trust
Oxleyfloors No 2 Trust**
Oxteha 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
Plaza Electrics No. 2 Trust**
Port Hedland Store 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

Ramfurn 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****
Rooavit No. 2 Trust**
Rothavit No. 2 Trust
Rothwell Bedding No. 2 Trust****
Rothwell Superstore No 2 Trust
Royavit No 2 Trust****
Roystore No. 2 Trust**
Rugware No. 2 Trust
Sanfurn No. 2 Trust**
Schwanovic No. 2 Trust**
Serborwares No. 2 Trust**
Serdall No. 2 Trust**
Sharmabeds No. 2 Trust**
Shortell No. 2 Trust
Showtara No. 2 Trust
Soonavit No. 2 Trust**
Soonfurn 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****
Tecmor No. 2 Trust**
Tehabay No. 2 Trust**
Tehacity No. 2 Trust**
Tehamba No. 2 Trust**
The Calardu Trust
Thorrop No. 2 Trust
Timlect No. 2 Trust**
Tivannic No. 2 Trust****

Tolstore No. 2 Trust****
Tonavit No. 2 Trust**
Toowoomba Flooring No. 2 Trust**
Toowoomba Superstore No. 2 Trust
Toukavit No. 2 Trust
Townavit No. 2 Trust****
Townsville Furniture No 2 Trust
Uzefene No 2 Trust
Valecomp No. 2 Trust
Vallatec No. 2 Trust**
Vallavit No. 2 Trust****
Valley Superstore No. 2 Trust
Valleyfurn No. 2 Trust
Vandeyplains No. 2 Trust**
Varnbeds No. 2 Trust****
Vivbeds No. 2 Trust**
Waggavit No. 2 Trust
Warracom No. 2 Trust
Warrawong Superstore No. 2 Trust**
Warwateha No 2 Trust
Warwavit No 2 Trust
Warwickavit No. 2 Trust
Westavit No. 2 Trust**
Westore No. 2 Trust
Whyavit No 2 Trust
Whystore No 2 Trust
Wichavit No. 2 Trust****
Winavit No. 2 Trust**
Wirthson 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

38. Controlled Entities and Unit Trusts (continued)

Units in Unit Trusts held by Harvey Norman Holdings Limited

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.

39. Deed of Cross Guarantee

Certain controlled entities (Closed Group) have entered into a deed of cross guarantee 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.

During the year ended 30 June 2015, the consolidated entity reviewed all entities party to the Deed of Cross Guarantee ("DOCG") and amended it to incorporate only those entities defined as a large proprietary company for which there are no regulations other than the *Corporations Act 2001* requiring the preparation, audit and lodgement of financial statements.

A Revocation Deed was lodged with the Australian Securities and Investments Commission ("ASIC") on 29 June 2015 with a notice of this lodgement advertised in *The Australian,* a national daily newspaper, on 16 July 2015. The Revocation Deed becomes legally effective if the entities within the DOCG are not liquidated within six months after the Revocation Deed is lodged with ASIC, being 29 December 2015. Effective on this date, controlled entities marked [28] in note 38 will be released from the obligations under the Deed of Cross Guarantee pursuant to the Revocation Deed lodged with ASIC on 29 June 2015.

As at 30 June 2015, the consolidated statement of financial position and income statement of the entities that are members of the "Closed Group" are as follows:

39. Deed of Cross Guarantee (continued)

Consolidated Statement of Financial Position

	2015 $000
Current Assets	
Cash and cash equivalents	159,552
Trade and other receivables	1,093,454
Other financial assets	24,979
Inventories	159,227
Intangible assets	476
Other assets	6,389
Total current assets	1,444,077
Non-Current Assets	
Trade and other receivables	1,332,149
Investments accounted for using equity method	8,820
Other financial assets	142,186
Property, plant and equipment	344,964
Investment properties	400,407
Intangible assets	1,265
Total non-current assets	2,229,791
Total Assets	3,673,868
Current Liabilities	
Trade and other payables	608,670
Interest-bearing loans and borrowings	298,382
Income tax payable	33,775
Provisions	10,298
Other liabilities	214
Total current liabilities	951,339
Non-Current Liabilities	
Interest-bearing loans and borrowings	290,000
Provisions	9,965
Deferred income tax liabilities	154,401
Other liabilities	490
Total non-current liabilities	454,856
Total Liabilities	1,406,195
NET ASSETS	2,267,673
Equity	
Contributed equity	380,328
Reserves	94,694
Retained profits	1,790,932
Parent entity interests	2,265,954
Non-controlling interests	1,719
TOTAL EQUITY	2,267,673

Consolidated Income Statement

	2015 $000
Profit from continuing operations before income tax expense	336,540
Income Tax	(95,555)
Profit after tax from continuing operations	240,985
Retained earnings at the beginning of the year	1,862,431
Non-controlling interests	(2,203)
Dividend received from intercompany	23,383
Dividends provided for or paid	(333,664)
Retained earnings at the end of the year	1,790,932

40. Parent Entity Financial Information

Summary Financial Information

	Parent Entity	
	2015	2014
	$000	$000
Statement of Financial Position		
Current assets	54	31
Non-current assets	2,195,116	2,118,095
Total assets	2,195,170	2,118,126
Current liabilities	29,905	19,467
Non-current liabilities	76,809	65,928
Total liabilities	106,714	85,395
Contributed equity	380,328	259,610
Retained profits	1,708,128	1,773,121
Total Equity	2,088,456	2,032,731
Profit for the Year	268,671	201,709
Total Comprehensive Income	268,671	201,709

Contingent Liabilities

As at 30 June 2015, 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 $169.94 million (2014: $242.01 million).

41. Significant Events After Balance Date

On 2 September 2015, the Company announced that, through a wholly-owned subsidiary, it has acquired a significant stake of a 49.9% interest in Coomboona Holdings Pty Limited ("Coomboona") for approximately $34 million.

The transaction terms included:
- acquiring a 49.9% shareholding in Coomboona for approximately $25 million; and
- agreeing to make an advance of approximately $9 million to Coomboona.

Coomboona, through wholly-owned subsidiaries, owns land and farm assets in the Coomboona district of the Goulburn Valley region in Northern Victoria. The business of Coomboona includes dairy farm operations and a pedigree breeding and genetics division.

Apart from the above, 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.

Director's 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 2015 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 2015.

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 2015

K.L. PAGE
Executive Director / Chief Executive Officer
Sydney
30 September 2015

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

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 2015, 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.

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 2015 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 25 to 45 of the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Katrina Zdrilic
Partner
Sydney
30 September 2015

Distribution of Shareholdings as at 28 September 2015

Size of Holding	Ordinary Shareholders
1 – 1,000	4,606
1,001 – 5,000	5,372
5,001 – 10,000	1,261
10,001 – 100,000	1,210
100,001 and over	130
	12,579
Number of Shareholders With less than a marketable parcel	525

Voting Rights

All ordinary shares issued by Harvey Norman Holdings Limited carry one vote per share.

Twenty Largest Shareholders as at 28 September 2015

Number of Ordinary Shares	Shareholder	Percentage of Ordinary Shares
331,656,599	Mr Gerald Harvey	29.84%
183,323,726	Mr Christopher Herbert Brown	16.49%
115,655,324	HSBC Custody Nominees Limited	10.41%
108,948,121	J P Morgan Nominees Australia Limited	9.80%
91,015,479	National Nominees Limited	8.19%
69,243,491	Citicorp Nominees Pty Limited	6.23%
52,262,874	Ms Margaret Lynette Harvey	4.70%
21,601,563	BNP Paribas Noms Pty Limited & BNP Paribas Nominees Pty Limited	1.94%
17,896,300	Enbeear Pty Limited	1.61%
17,917,642	Ms Kay Lesley Page	1.61%
9,429,283	RBC Investor Services	0.85%
6,098,458	UBS Nominees Pty Limited	0.55%
4,213,182	Argo Investments Limited	0.38%
3,549,331	AMP Life Limited	0.32%
2,974,897	Mr Michael Harvey	0.27%
1,955,349	Bond Street Custodians Limited	0.18%
1,887,127	Omnilab Media Investments Pty Limited	0.17%
1,198,204	Netwealth Investments Limited	0.11%
1,183,049	Mr Arthur Brew	0.11%
946,786	Mr Graeme Harvey	0.09%
1,042,956,785		93.84%

Total held by twenty largest shareholders as a percentage of total ordinary shares is 93.84% as at 28 September 2015.

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

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

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

PORT LINCOLN
Cnr St Andrews Terrace and
Kooyanga Ave
Port Lincoln 5606
Phone: (08) 8683 7700

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

CANNINGTON
1363 Albany Highway
Cannington 6107
Phone: (08) 9311 1100

CITY WEST
25 Sutherland Street
West Perth 6005
Phone: (08) 9215 8600

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

MAITLAND
Unit 6
366 New England Highway
Rutherford 2320
Phone: (02) 4932 2300

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

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

MAROOCHYDOORE
64 - 70 Aerodrome Road
Maroochydoore 4558
Phone: (07) 5409 0200

NOWRA
Cnr Central Ave &
Princes Highway
Nowra 2541
Phone: (02) 4448 0000

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

NAPIER
Shop 5
20-60 Wellesley Road
Napier
Phone: 0011 646 833 9500

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

WHAKATANE
The Hub
State Highway 30
Whakatane
Phone: 0011 649 306 0600

WHANGAREI
5 Gumdigger Place
Whangarei
Phone: 0011 649 470 0300

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

DROGHEDA
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

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 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

SINGAPORE (CONTINUED)

HARVEY NORMAN ONE KM
11 Tanjong Katong Road
#02-41 to 44
Singapore 437157
Phone: 0011 65 6702 5220

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 KALLANG WAVE MALL (Sports Hub)
1 Stadium Place
#02-09/10
Singapore 397628
Phone: 0011 65 6702 5171

HARVEY NORMAN
SQUARE TWO
Square 2, B1 – 06t o 75
10 Sinaran Drive
Singapore
Phone: 0011 65 6397 6190

HARVEY NORMAN SUNSET CITY
3 Temasek Boulevard
#02-001 Suntec City Mall
Singapore 038983
Phone: 0011 65 6332 3463

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