



BETTA STORES LIMITED

Results for the Six Months Ended 31 December 2004

The directors of Beta Stores Limited (BSL) are pleased to announce that the consolidated group operating profit before tax and abnormal items for the six (6) months ended 31 December 2004 amounted to \$2.790M which was in line with forecast and 58.1% ahead of the corresponding period last year.

Operating profit after tax for the half year, after providing for income tax and outside equity interests, amounted to \$1.889M verses \$1.207M for the corresponding period last year - an increase of 56.5%.

Basic earnings per share increased from 2.8 cents to 4.0 cents per share.

Total operating revenue for the period was \$96.474M, representing an increase of 19.1% over the corresponding period last year.

As a result of this strong performance, the Directors have declared a fully franked interim dividend of 1.0 cent per share to be paid to Ordinary Shareholders registered at the Record Date, being 5.00 pm AEST on Friday, 1 April 2005. Shareholders wishing to participate in the company's Dividend Reinvestment Plan must lodge election forms with the share registry by 5.00 pm AEST on Friday, 15 April 2005. The dividend payment date has been set for Friday, 22 April 2005.

Highlights during the half year ended 31 December 2004 included:

- Expansion of Central Accounting, using BSL's industry-leading IT systems, which have been designed to allow all group retailers and suppliers to transact electronically with significantly lower administration time and errors - we expect that turnover in this business will continue to increase dramatically over the next few years.
- The opening of the first two Beta Electrical Superstores, located in Ulladulla, NSW and Minchinbury, NSW. The Superstores have been designed with our consumers in mind - to answer their desire for a full range of products and technical advice, supported by improved after sale service, installation, demonstrations and delivery all under one roof. The group has a number of additional Superstores under development which are due to open this calendar year.

- The acquisition of the Truscott Hi-Fi business in South Australia on 1 December 2004, which adds a further 7 stores to the group's company-owned retail store network, and an annualised turnover in excess of \$50M.

Chief Executive Officer, Guy Houghton said "this is another strong result for the BSL group on the back of many years of continued growth. The recent acquisition of Truscott Hi-Fi in South Australia and the expansion of financial services are proving to be the correct move as the company positions itself for the future."

"I am confident that the current levels of investment in retailing and retail finance will deliver sound returns for shareholders, and whilst retail trading has slowed in recent months, strong returns from franchise services continues to underpin the overall performance of the group. That said, shareholders should be aware of the current downturn in retail sales in the consumer electronics market, which will have a direct affect on some group revenue streams for the January to June period."

"We are focused on further reducing costs internally, whilst improving margins for franchisees through improved systems, buying and supply chain efficiencies. Many of these initiatives will be realised within the 2005 calendar year."

Further enquiries to be directed to:
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