



**BETTA STORES LIMITED
FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2004**

The directors of Beta Stores Limited ('BSL') are pleased to announce that the audited net profit after tax for the consolidated group for the year ended 30 June 2004 amounted to \$2.9M, which was in line with the 2003 result of \$2.95M.

Following the company's recent capital restructure and listing on the Newcastle Stock Exchange, a total of 46.8M Ordinary Shares have been issued since year end. Basic earnings per share attributable to those issued Ordinary Shares amounts to 6.2 cents, for the purposes of comparison to future financial results.

Chief Executive Officer, Guy Houghton said "this is another solid result for the BSL group, especially considering the company has extended its operations in the 2004 financial year beyond its core franchising business into consumer electronics retailing and other related financial services. The diversification of the business into these areas is part of the overall group strategy for continued growth, building on the substantial success it has achieved over its 43 years in business."

Underpinning the result was a 15% increase in franchise revenue to \$64.5M, which has been driven by favourable trading conditions in the Beta Electrical, Chandlers and Sleepy's franchises.

During the year, BSL acquired a total of 9 electrical retail stores in Melbourne and the Northern Territory, operating under the Beta Electrical or Chandlers brands. When acquired, those stores were trading at a loss, and BSL management has since reviewed operations in all stores in conjunction with a detailed market survey to ensure that consumers experience the highest level of customer service and a wide range of products to choose from.

BSL has also invested around \$2M in upgraded information technology systems over the past year, which now sees over 360 shopfronts, and all corporate offices, connected via an ADSL-based wide-area network to a centralised data centre in Brisbane. This infrastructure provides a fully-managed solution to all group retailers utilising BSL's market-leading retail management system (IbGlobal).

The upgraded IT systems have also been designed to allow all group retailers and suppliers to transact electronically. A number of suppliers to the group are now using this service, which has seen BSL's revenue from central accounting increase by 118% over the previous year to \$58.2M. CEO Guy Houghton commented that "BSL's central accounting service is an integral component in reducing the cost of business for our group retailers and suppliers - we expect that turnover in this business will continue to increase dramatically over the next few years."

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