Stokes

ABN 24 004 554 929
ESTABLISHED 1856

STOKES (AUSTRALASIA) LIMITED 24 PALMERSTON ROAD WEST RINGWOOD VICTORIA 3134 AUSTRALIA
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31 August 2005

The Manager – Companies
Australian Stock Exchange Limited
Stock Exchange House
530 Collins Street
Melbourne VIC 3000

Dear Sir

Re: Results for the year ended 30 June 2005

The Directors of Stokes (Australasia) Limited report that the Company incurred a loss of $550,000, compared with a profit of $269,000 for the previous year.

A cost cutting and down sizing program implemented during the financial year included the following measures:

- Closing the Sydney warehouse and sales office and transferring the sales manager and limited stock to the premises of Stokes' New South Wales distributor.

- Down sizing and relocating the Adelaide warehouse to smaller premises.

- Reducing overhead costs throughout the company.

The annualised savings resulting from overhead cost reductions are likely to exceed $2.7m per annum, with total cost reductions of approximately $6.0m per annum. In addition, the Company is now trading with positive cash flows.

Mr. Colin Day resigned from the Board on 30 November 2004. He had been a director since 2001.

Mr. Desmond Anderson resigned from the Board on 17 January 2005. He had been a director and Chairman of the Company since 2001.

The Board thanks Mr. Anderson and Mr. Day for their leadership and input in helping the Company over the last few years, which have been a very difficult period for the Company.

Mr. Ron Drury was appointed to the Board on 24 June 2005. He remains the Group General Manager. He has had many years of senior management experience in the automotive, whitegoods and associated component manufacturing industries.

Regular external reviews have been conducted by the Company's bankers, who have noted the Company's progress and have continued to give the Company their support. The Company is currently not in breach of any covenants with its bankers.

The Directors have decided not to pay a dividend for the financial year ended 30 June 2005.

The Annual General Meeting of the Company will be held at the Tudor Inn, 1101 Whitehorse Road, Box Hill on Friday, 18 November 2005 at 11.30 a.m.

Yours faithfully

W. R. STOKES	R. J. DRURY	G. B. ELKINGTON
Director	Director	Director/Company Secretary