

# Michael Hill International Limited

## Full Year Results 30 June 2010





# The Year in Review



# The Year in Review

- ❑ MH Brand takes on new direction
- ❑ New diamond ranges released
- ❑ MH watch brand expanded
- ❑ US business reviewed and commitment made to refurbish the 9 remaining stores



# The Year in Review

- ❑ Recruitment of leading Supply Chain Executive from US
- ❑ Recruitment of experienced Property Executive bolsters MH team
- ❑ Leading technology employed to manage labour more effectively
- ❑ 5 new stores opened

# The Year in Review

- ❑ Same store sales up 7.6%
- ❑ EBIT up 38.4% on previous year to \$36.240m
- ❑ Dividend up 60% to 4.0 cents per share
- ❑ Balance sheet in good shape with a 61.8% equity ratio





# Financial Highlights

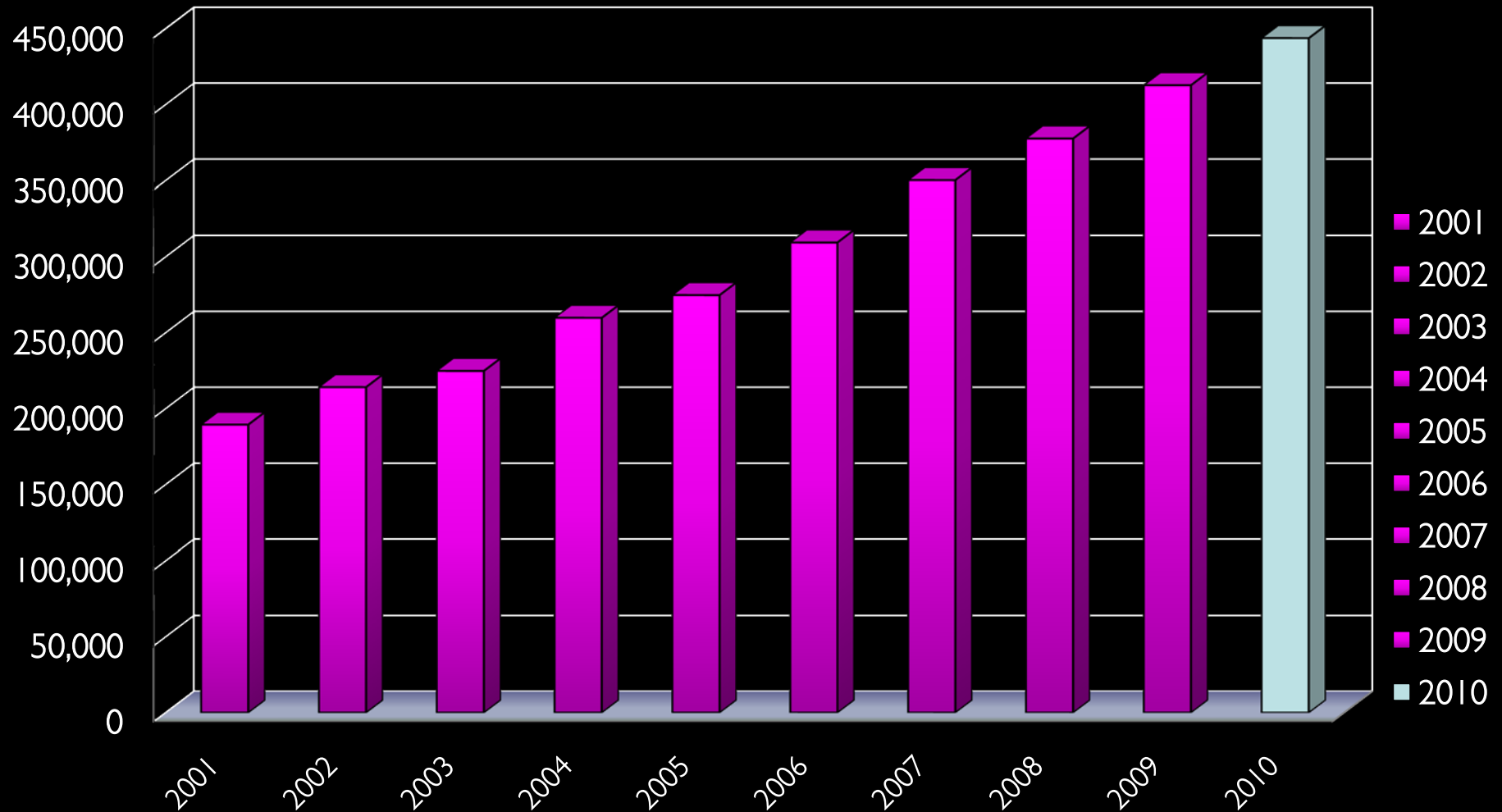


	\$000's	\$000's	
12 months ended	30/6/10	30/6/09	%
Sales Revenue	443,331	411,999	7.6%
EBITDA	46,320	36,026	28.6%
EBIT	36,240	26,193	38.4%
NPBT	30,914	20,149	53.4%
NPAT excl deferred tax credit	26,509	16,688	58.9%
NPAT	26,509	66,788	-60.3%

Note that a deferred tax credit of \$50.1m was included in the 2009 profit after tax figure.

# Group Revenue to 30 June

## NZ\$000's

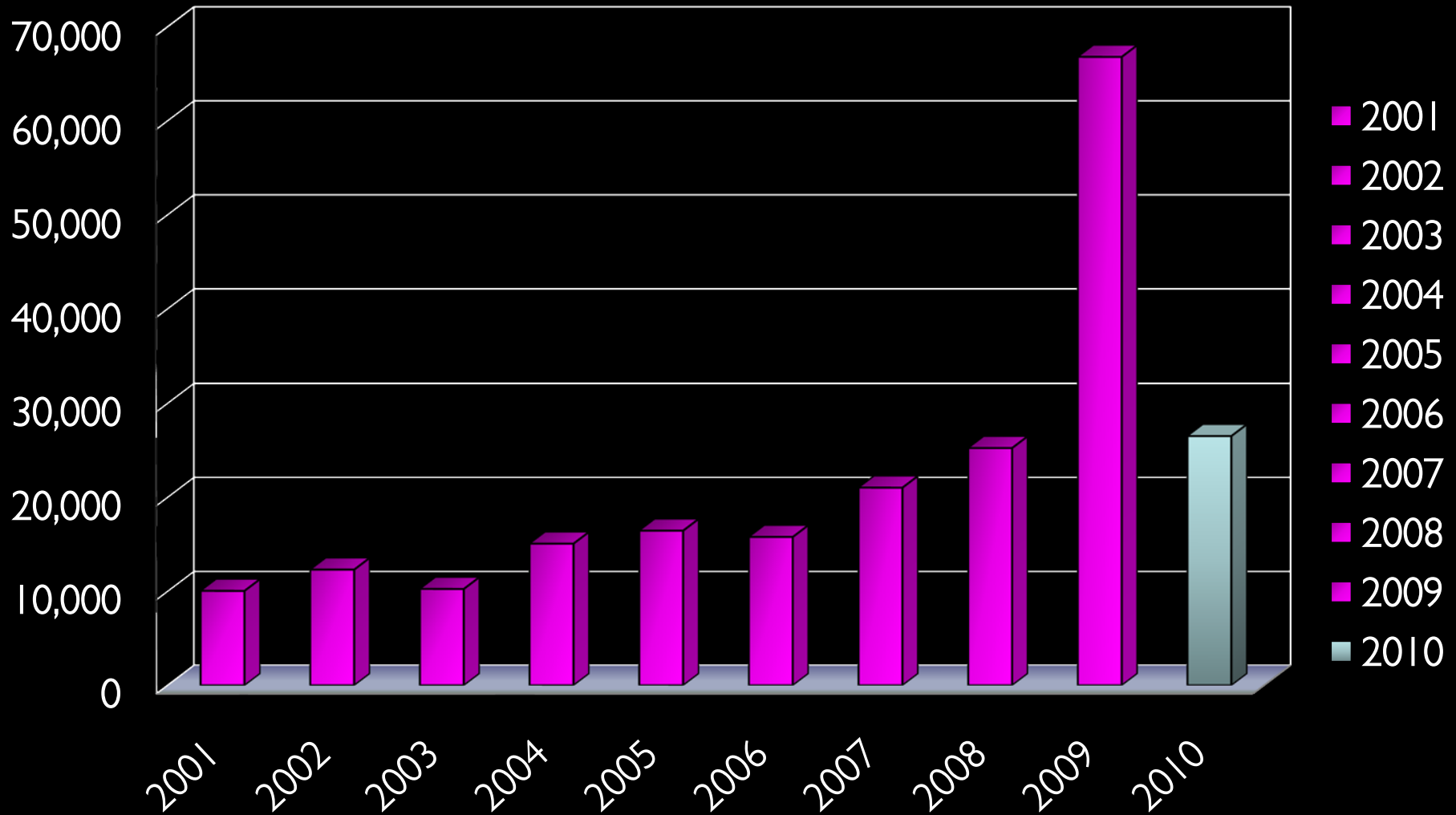


NZ GAAP prior to 2004-2005



# Net Profit after tax to 30 June

## NZ\$000's



NZ GAAP prior to 2004/05

Deferred tax credit of \$50.1m booked in 08/09

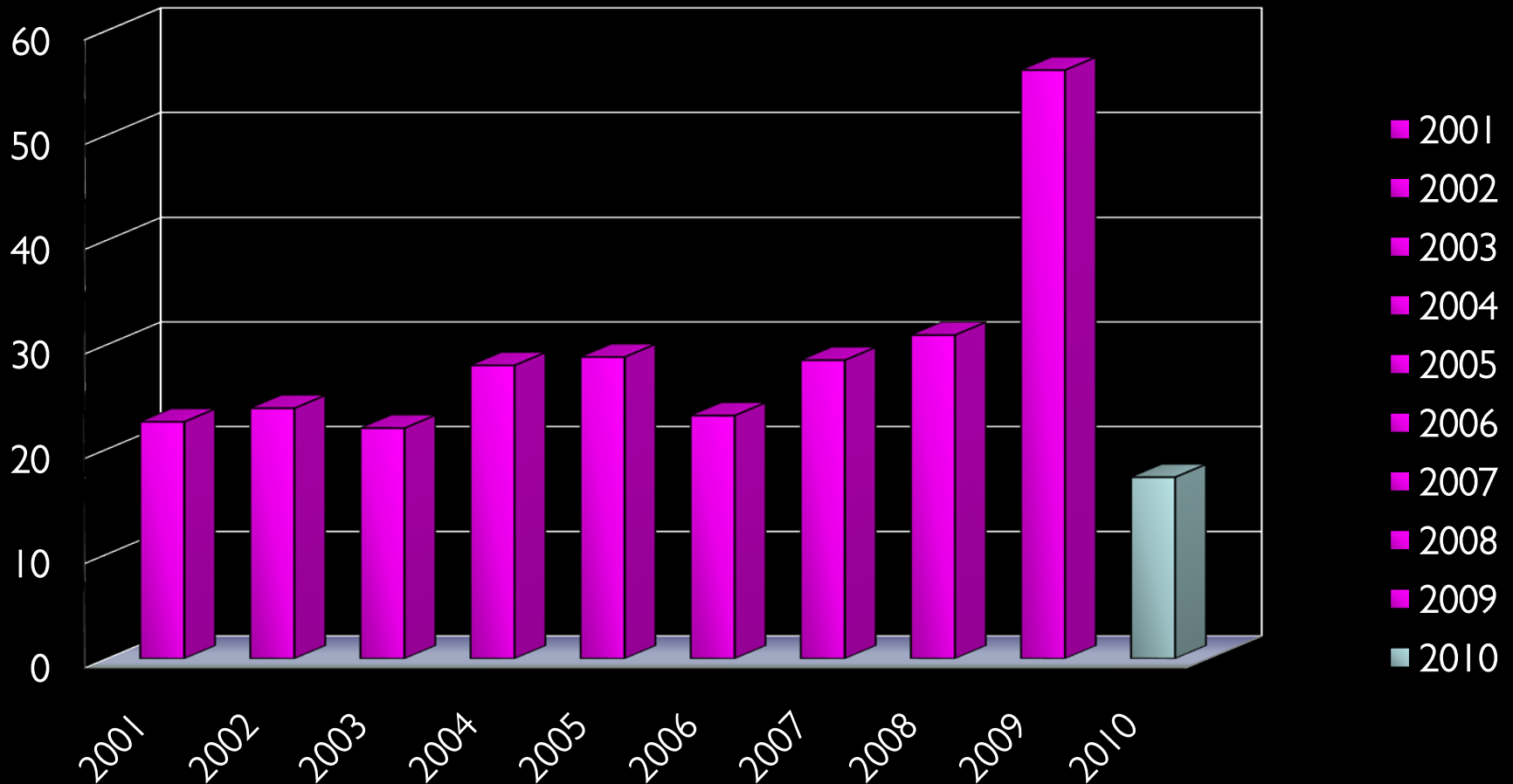
# More Highlights

<u>12 months ended</u>	<u>30/6/10</u>	<u>30/6/09</u>	<u>%</u>
Net Operating Cash Flows	12,751	47,643	-73.2%
Net Investing Cash Flows	(10,073)	(10,328)	
Net Financing Cash Flows	(19,772)	(23,079)	
Net Debt \$000's	45,437	36,958	22.9%
Equity ratio	61.8%	59.7%	
Return on Shareholders Funds	17.3%	56.2%	
Earnings per share	6.93 c	17.46 c	-60.3%
Total dividend per share	4.00c	2.50c	+60.0%



# Return on Average Shareholders Funds

RETURN %



2009 and 2010 returns impacted by deferred tax credit of \$50.1m booked in 08/09

# Store Expansion



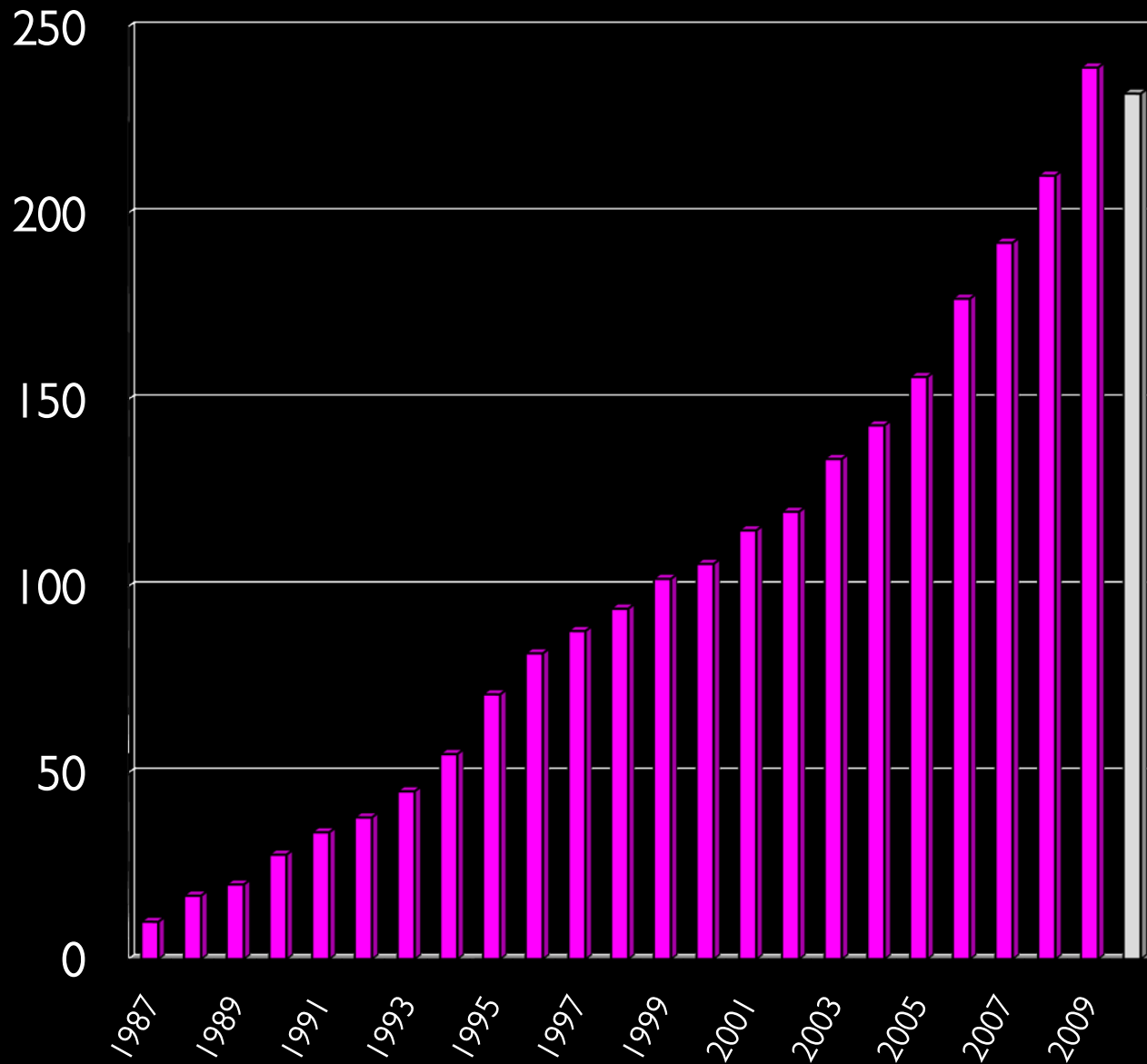


# Growth Philosophy

Controlled Profitable Growth  
with an emphasis on improving  
existing operations



# Total Jewellery Stores



## Stores Numbers

- 1997 - 88 +6
- 1998 - 94 +6
- 1999 - 102 +8
- 2000 - 106 +4
- 2001 - 115 +9
- 2002 - 120 +5
- 2003 - 134 +14
- 2004 - 143 +9
- 2005 - 156 +13
- 2006 - 177 + 21
- 2007 - 192 +15
- 2008 - 210 +18
- 2009 - 239 +29
- 2010 - 232 -7



12 months ended	30/6/10	30/6/09
-----------------	---------	---------

## New Stores Opened

Australia	2	8
New Zealand	0	1
Canada	3	4
USA	0	17
Total Opened	5	30

Stores closed during year	12	*	1
---------------------------	----	---	---

\* 8 stores closed in the US in June 2010

12 months ended

30/6/10

30/6/09

## Total Stores Operating

Australia	141	143
New Zealand	53	53
Canada	29	26
USA	9	17
Total	232	239



# Australasian Expansion



# NZ Expansion



Stores Operating	30/6/10	53
Planned for 10/11	1 store	54
Planned for 11/12	1 store	55
Planned for 12/13	1 store	56

# Australian Expansion



Stores operating	30/6/10	141
Planned for 10/11	6 stores	147
Planned for 11/12	12 stores	159
Planned for 12/13	12 stores	171

180 store locations have been identified as suitable locations



North American Expansion



# Canadian Expansion



•Stores Operating	30/6/10	29
•Planned for 10/11	6 stores	35
•Planned for 11/12	12 stores	47
•Planned for 12/13	12 stores	59

100 store locations have been identified as suitable locations



# Store Refurbishment Plans

2016 KGINDI2UUGUR K19U2

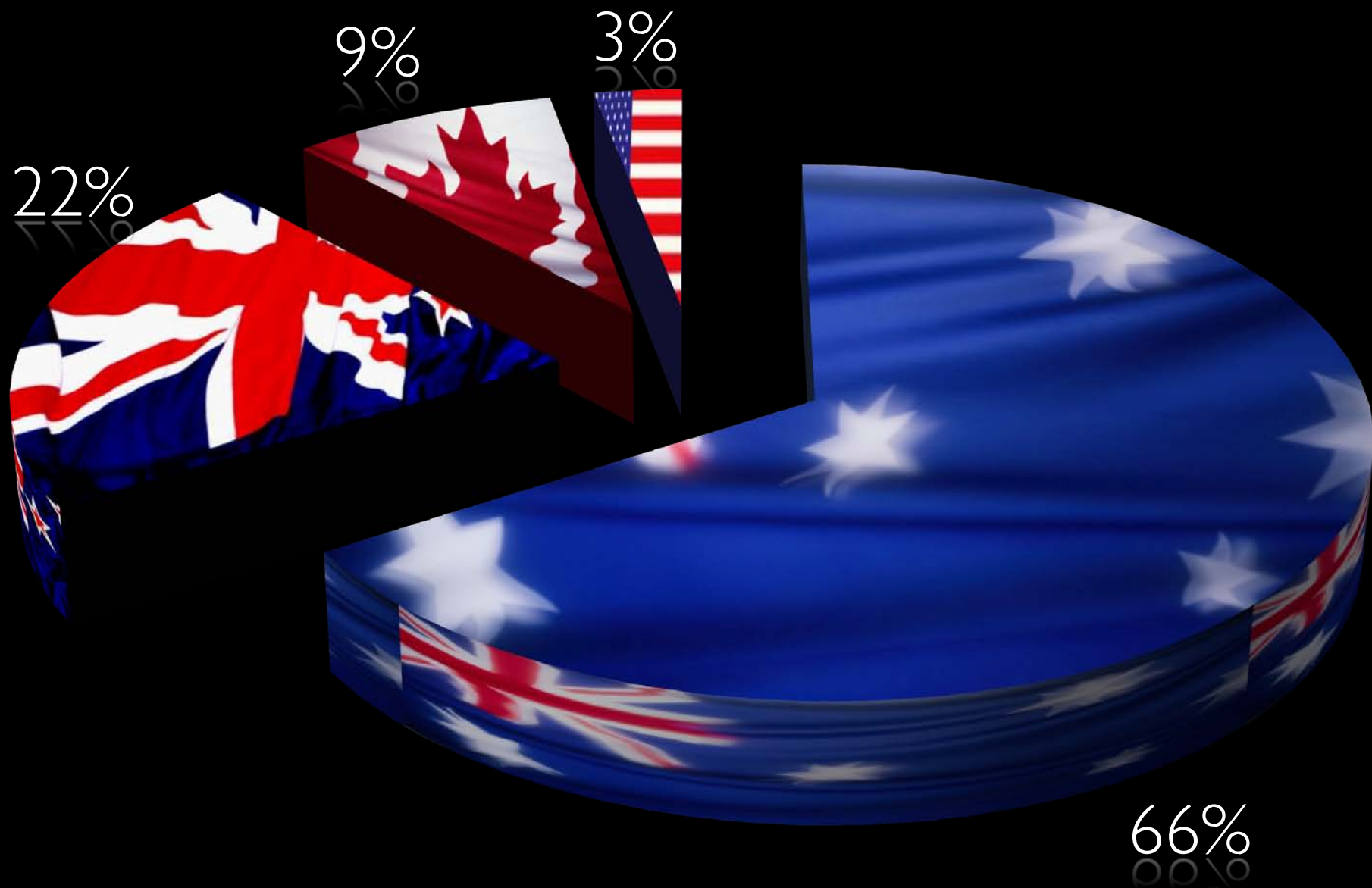




# Segment Revenue

To 30 June 2010





The image features two overlapping circular frames. The left frame shows a close-up of the Australian flag, focusing on the Union Jack in the canton and the seven white stars on the blue field. The right frame shows a close-up of the New Zealand flag, focusing on the red saltire on the white field and the four red stars on the blue canton. The flags are slightly blurred, giving a sense of motion or depth.

# Segment Results

Australasia



NZ \$000's

	2010	2009	%
Revenue	292,985	269,088	8.9%
EBIT	47,701	40,968	16.4%
As a % of Revenue	16.3%	15.2%	



NZ \$000's

	2010	2009	%
Revenue	95,811	90,393	6.0%
EBIT	16,204	14,954	8.4%
As a % of Revenue	16.9%	16.5%	





# Segment Results

North America



NZ \$000's

	2010	2009	%
Revenue	39,398	36,438	8.1%
EBIT	(1,553)	(245)	(533.9%)
As a % of Revenue	-3.9%	-0.7%	



NZ \$000's

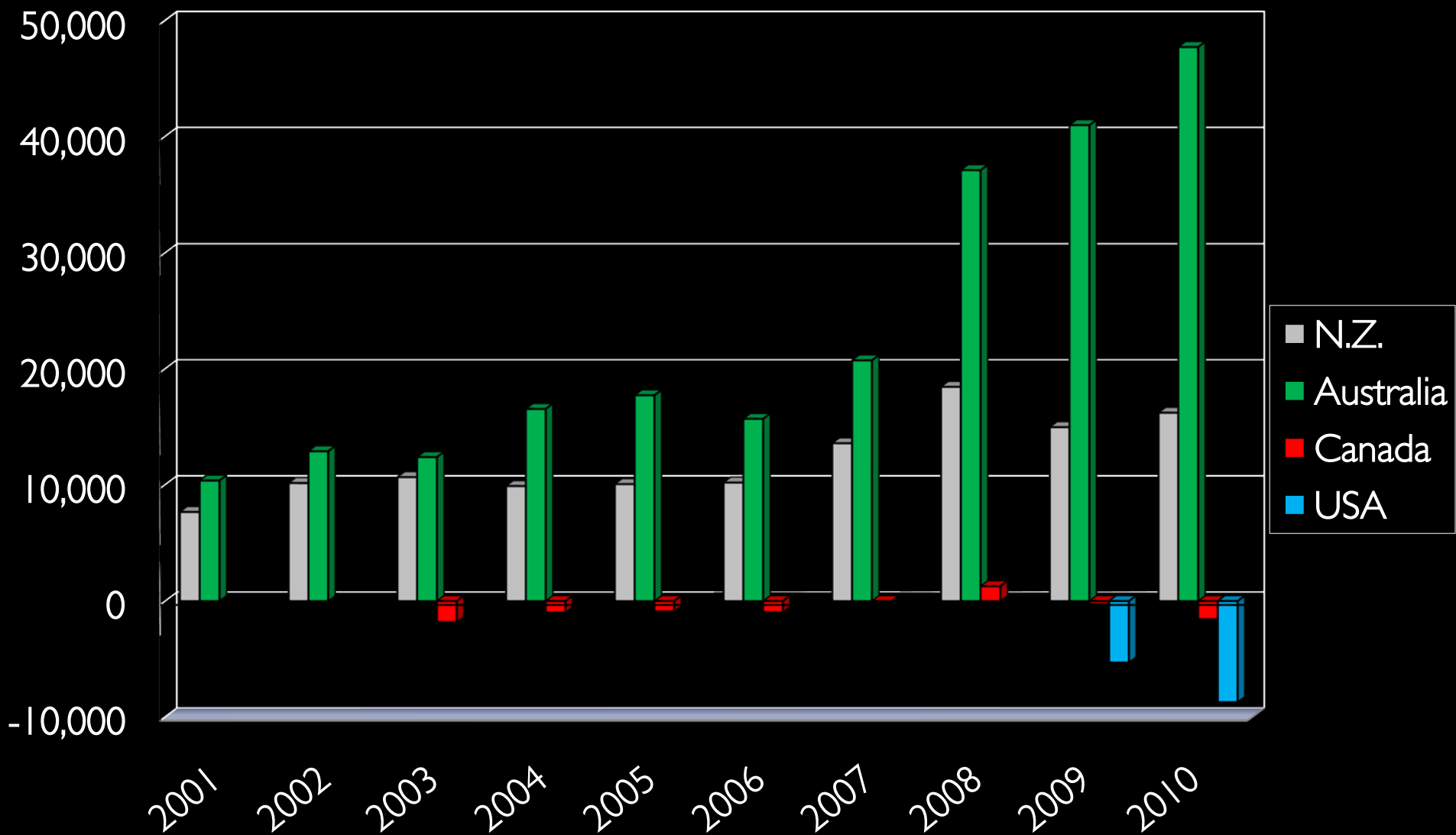
	2010	2009	%
Revenue	14,768	15,646	(5.6%)
EBIT	(8,713)	(5,292)	(64.6%)
As a % of Revenue	-59.0%	-33.8%	



EBIT Contributions



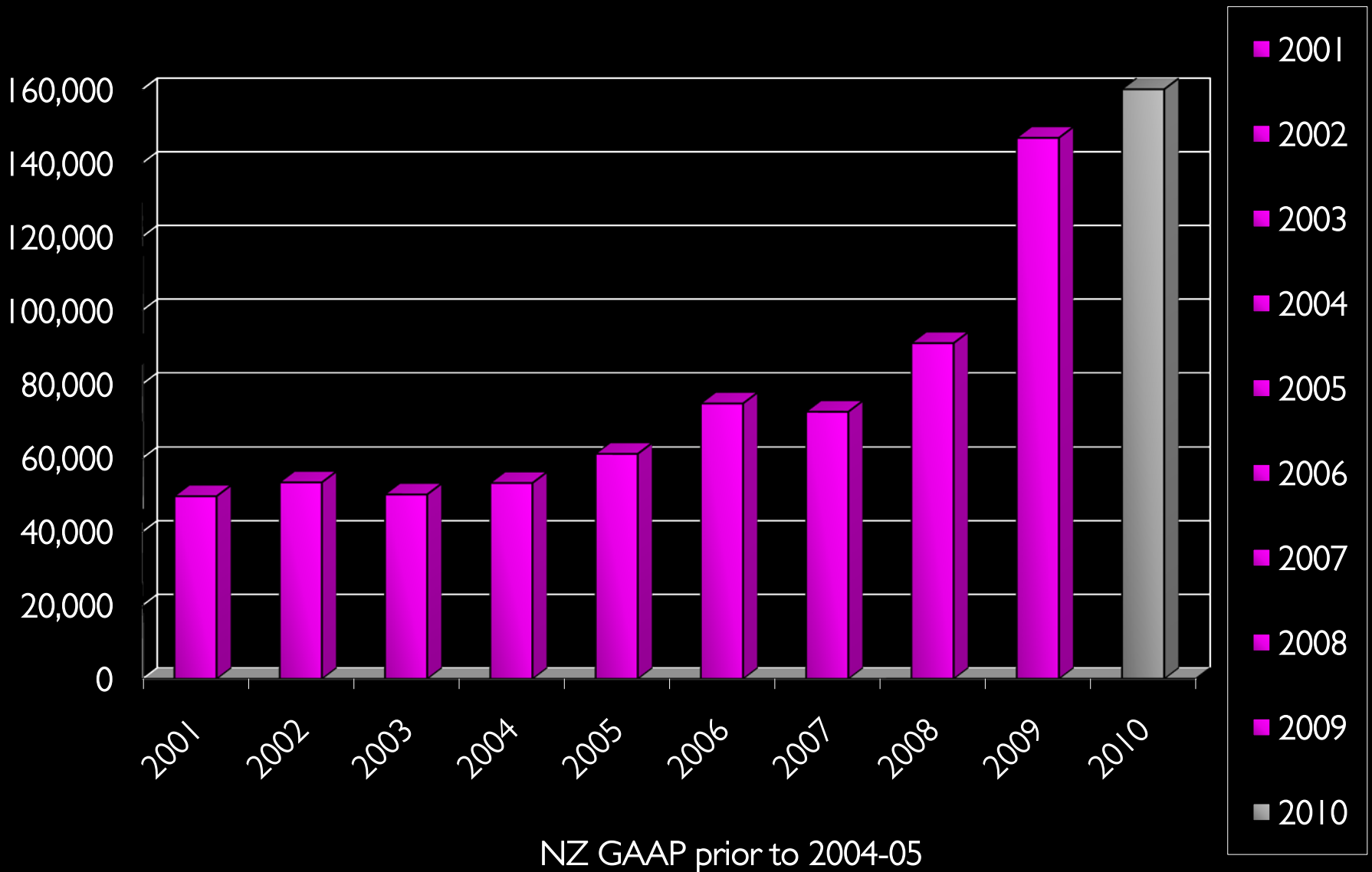
# EBIT Contributions NZ\$000's



Shareholder Funds

michael hill

# Shareholders' Funds NZ\$000's

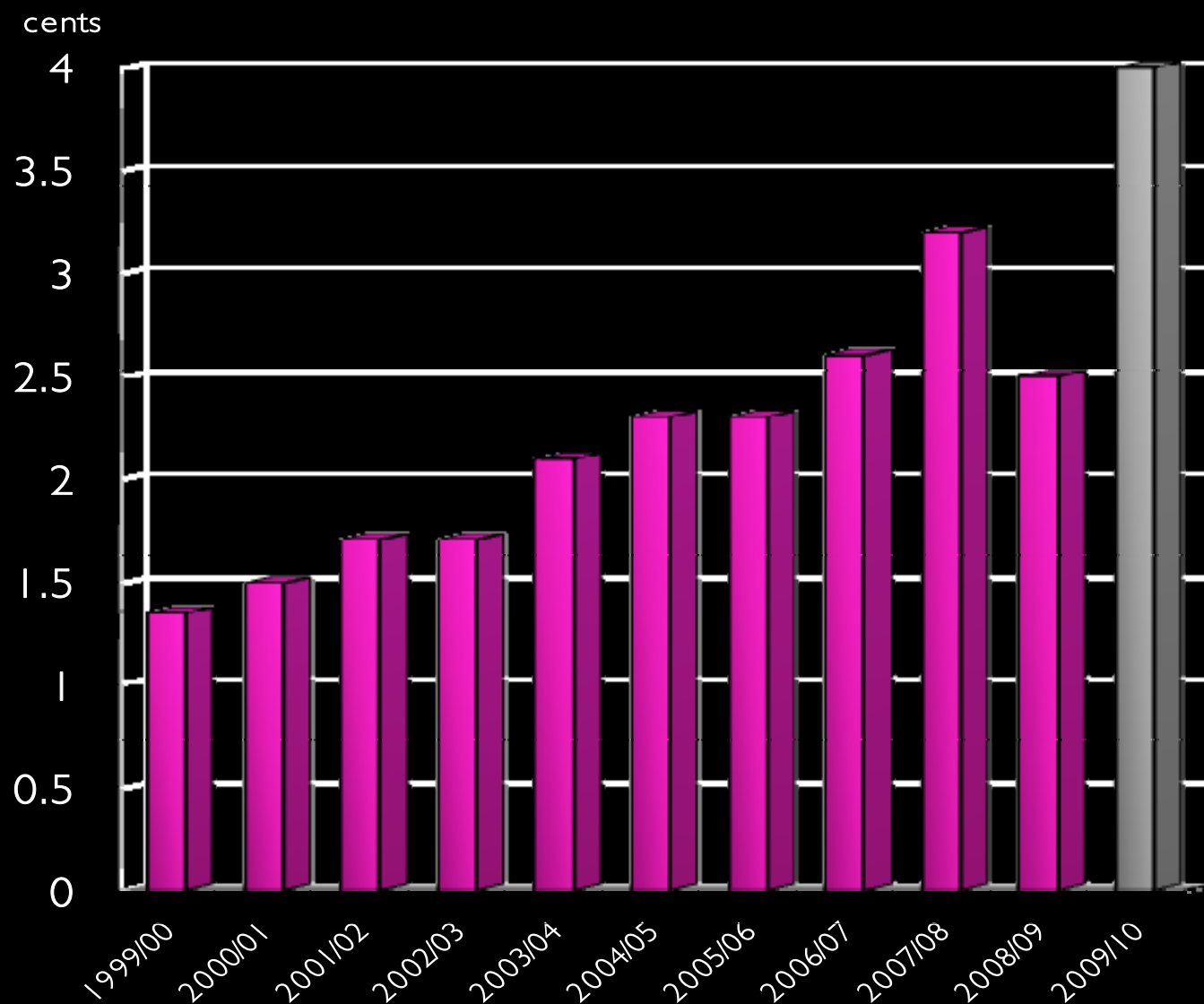




# Dividends

michael hill

# Full Year Dividend Trend (Not including Special Dividend)



- 1998/99 1.15c
- 1999/00 1.35c
- 2000/01 1.5c
- 2001/02 1.7c
- 2002/03 1.7c
- 2003/04 2.1c
- 2004/05 2.3c
- 2005/06 2.3c
- 2006/07 2.6c
- 2007/08 3.2c
- 2008/09 2.5c
- 2009/10 4.0c

Note: due to the share split in 2007, prior years have also been divided by 10 for comparative purposes



# Q1 Sales 2010-2011



# 3 Months Sales to 30 September 2010

All figures in Local Currency

Country	2009/10	2010/11	+/-
AUS same Stores	\$46.514m	\$50.945m	9.5%
NZ same Stores	\$17.455m	\$20.776m	19.0%
CAN same stores	\$4.774m	\$5.851m	22.6%
US stores	\$1.116m	\$1.412m	26.5%
AUS all stores	\$47.306m	\$51.628m	9.1%
NZ all stores	\$17.454m	\$20.776m	19.0%
CAN all stores	\$5.090m	\$6.513m	28.0%
US all stores *	\$1.799m	\$1.412m	-21.5%

\* 8 stores were closed in June 2010



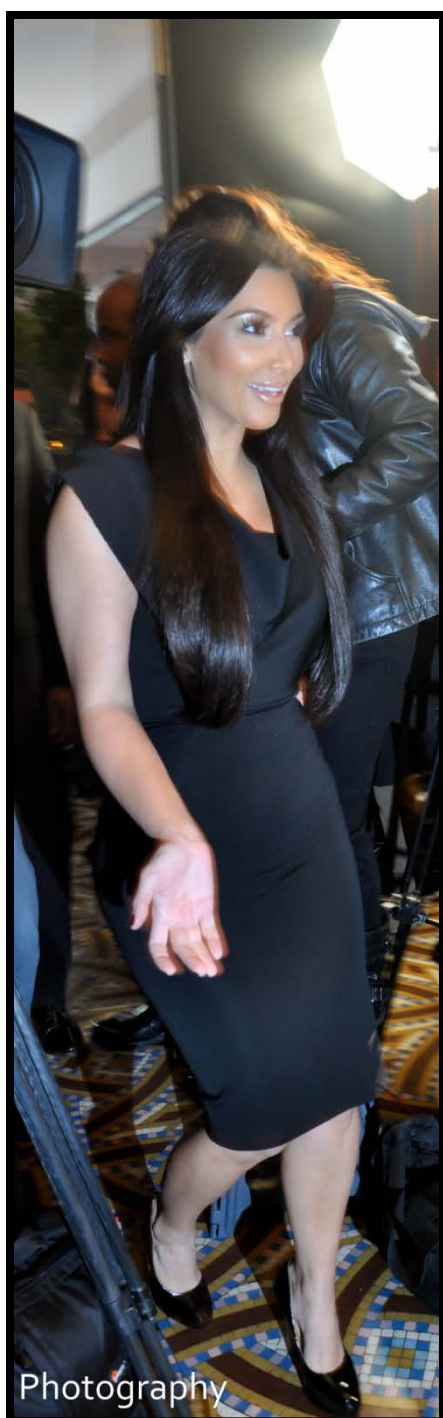
michael hill  
THE ULTIMATE  
ENGAGEMENT RING

Search for the World's Best Couple











# Michael Hill International Limited

## Full Year Results 30 June 2010

