

Segment Information

for the six months ended 31 December 2012

	MHJ NEW ZEALAND			MHJ AUSTRALIA			MHJ CANADA			MHJ USA			GROUP		
	2012 \$'000	2011 \$'000	+/-%	2012 \$'000	2011 \$'000	+/-%	2012 \$'000	2011 \$'000	+/-%	2012 \$'000	2011 \$'000	+/-%	2012 \$'000	2011 \$'000	+/-%
Operating revenue															
Sales to customers	63,117	60,908	3.6%	206,431	189,550	8.9%	36,184	30,354	19.2%	6,703	6,634	1.0%	312,435	287,446	8.7%
Unallocated revenue													431	1,400	(69.2%)
Total operating revenue													\$ 312,866	\$ 288,846	8.3%
Segment results															
Operating surplus / (loss)	12,945	12,192	6.2%	35,404	31,587	12.1%	1,856	1,524	21.8%	(1,555)	(1,781)	12.7%	48,650	43,522	11.8%
Unallocated revenue less unallocated expenses													(14,440)	(11,185)	29.1%
Profit before income tax													34,210	32,337	5.8%
Income tax expense													(6,371)	(6,040)	5.5%
Profit for the year													\$ 27,839	\$ 26,297	5.9%
Segment assets															
Unallocated	51,830	52,016	(0.4%)	146,858	129,386	13.5%	45,905	39,335	16.7%	13,505	13,995	(3.5%)	258,098	234,732	10.0%
Total													114,855	111,625	2.9%
													\$ 372,953	\$ 346,357	7.7%
Segment liabilities															
Unallocated	19,488	15,647	24.5%	66,660	50,196	32.8%	12,963	9,481	36.7%	3,112	2,542	22.4%	102,224	77,866	31.3%
Total													62,393	73,746	(15.4%)
													\$ 164,617	\$ 151,612	8.6%
Segment acquisitions of property, plant & equipment and intangibles															
Unallocated	1,222	1,525	(19.9%)	9,287	5,676	63.6%	2,686	1,068	151.5%	153	134	14.5%	13,348	8,403	58.8%
Total													1,355	705	92.2%
													\$ 14,703	\$ 9,108	61.4%
Segment depreciation and amortisation expense															
Unallocated	985	931	5.9%	3,324	3,201	3.8%	981	817	20.1%	287	260	10.5%	5,578	5,209	7.1%
Total													833	884	(5.7%)
													\$ 6,411	\$ 6,093	5.2%

Notes:

- 1 Michael Hill International Limited and its controlled entities operate predominantly in one business segment being the sale of jewellery and related services.
- 2 The company operates in 4 geographical segments; New Zealand, Australia, Canada and the United States of America and is managed on a global basis.
- 3 Inter segment pricing is at arm's length or market value.
- 4 Unallocated expenses include all expenses that do not relate directly to the relevant segment and include: manufacturing activities, warehouse and distribution, general corporate expenses, interest and company tax.