

Statement of Segmented Results

for the year ended 30 June 2007

	MHJ NEW ZEALAND			MHJ AUSTRALIA			MHJ CANADA			GROUP		
	2007	2006	+/-%	2007	2006	+/-%	2007	2006	+/-%	2007	2006	+/-%
	\$'000	\$'000		\$'000	\$'000		\$'000	\$'000		\$'000	\$'000	
Operating revenue												
Sales to customers	97,439	91,036	7.0%	225,815	199,412	13.2%	24,994	15,671	59.5%	348,248	306,119	13.8%
Unallocated revenue										509	255	99.6%
Total segment revenue										\$348,757	\$306,374	13.8%
Segment results												
Operating surplus	13,570	10,180	33.3%	20,723	15,677	32.2%	-5	-957	-99.5%	34,288	24,900	37.7%
Unallocated revenue less unallocated expenses										-3,144	-2,389	31.6%
Profit before income tax										31,144	22,511	38.4%
Income tax expense										-10,127	-6,737	50.3%
Profit for the year										\$21,017	\$15,774	33.2%
Segment assets												
Unallocated	46,104	41,025	12.4%	87,974	114,373	-23.1%	11,506	13,148	-12.5%	145,584	168,546	-13.6%
Total										8,756	5,792	51.2%
										\$154,340	\$174,338	-11.5%
Segment Liabilities												
Unallocated	4,918	5,666	-13.2%	73,383	89,810	-18.3%	1,456	2,027	-28.2%	79,757	97,503	-18.2%
Total										2,079	2,076	0.1%
										\$81,836	\$99,579	-17.8%
Segment acquisitions of property, plant & equipment and intangibles												
Unallocated	1,184	1,817	-34.8%	5,336	4,012	33.0%	1,186	1,328	-10.7%	7,706	7,157	7.7%
Total										3,385	3,467	-2.4%
										\$11,091	\$10,624	4.4%
Segment depreciation and amortisation expense												
Unallocated	1,526	1,536	-0.7%	3,699	3,261	13.4%	421	250	68.4%	5,646	5,047	11.9%
Total										1,618	1,667	-2.9%
										\$7,264	\$6,714	8.2%
Segment impairment of property, plant & equipment												
Unallocated				0	14	-100.0%				0	14	-100.0%
Total										\$0	\$14	-100.0%

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