



Full Year Results 30 June 2011  
Michael Hill International  
Limited

# The Year in Review



- ❑ 11 new stores opened
- ❑ Professional Care Plans launched in October 2011
- ❑ US business reorganised
- ❑ Positive turnaround for Canadian operation
- ❑ All countries improve profitability

# The Year in Review



- ❑ Same store sales up 9.2%
- ❑ EBIT up 28.4% on previous year to \$45.638m
- ❑ Dividend up 12.5% to 4.5 cents per share
- ❑ Balance sheet in good shape with a 60.9% equity ratio



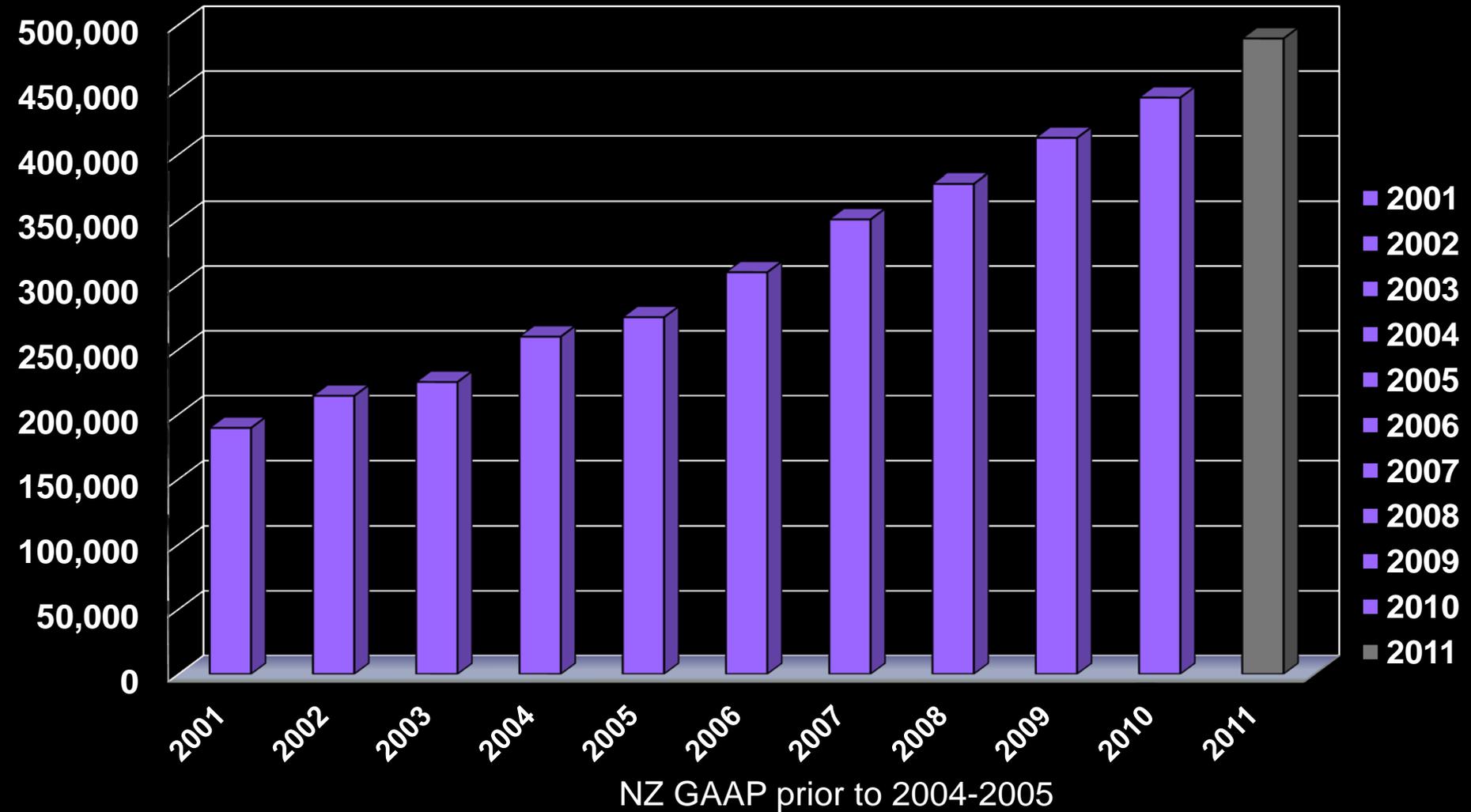
# Financial Highlights



	\$000's	\$000's	
<u>12 months ended</u>	<u>30/6/11</u>	<u>30/6/10</u>	<u>%</u>
<b>Group Revenue</b>	<b>489,330</b>	<b>443,710</b>	<b>10.3%</b>
<b>EBITDA</b>	<b>57,091</b>	<b>46,320</b>	<b>23.3%</b>
<b>EBIT</b>	<b>45,638</b>	<b>35,534</b>	<b>28.4%</b>
<b>NPBT</b>	<b>39,985</b>	<b>30,208</b>	<b>32.4%</b>
<b>NPAT</b>	<b>34,499</b>	<b>26,015</b>	<b>32.6%</b>

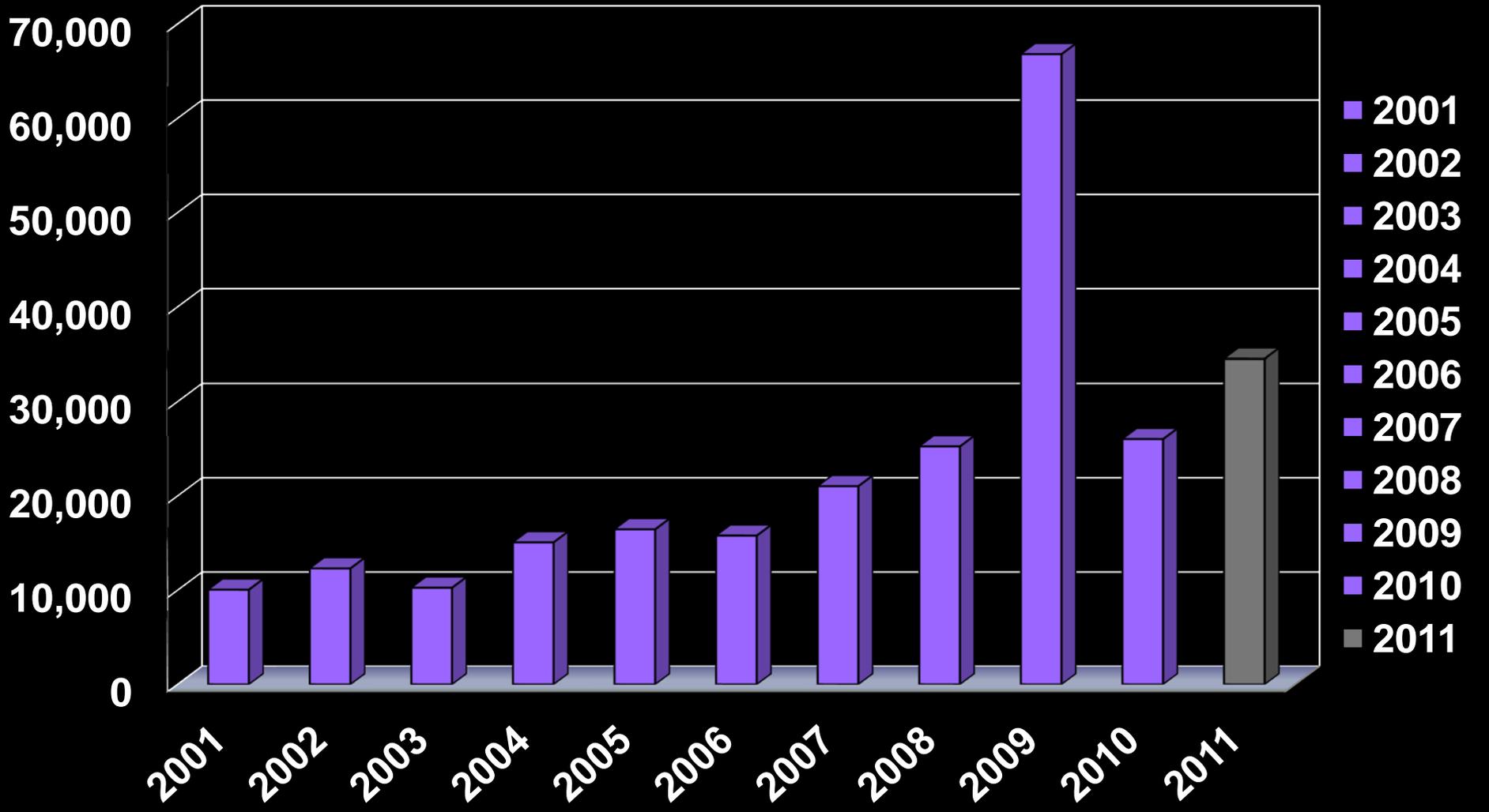
# Group Revenue to 30 June

## NZ\$000's



# Net Profit after tax to 30 June

## NZ\$000's



NZ GAAP prior to 2004/05

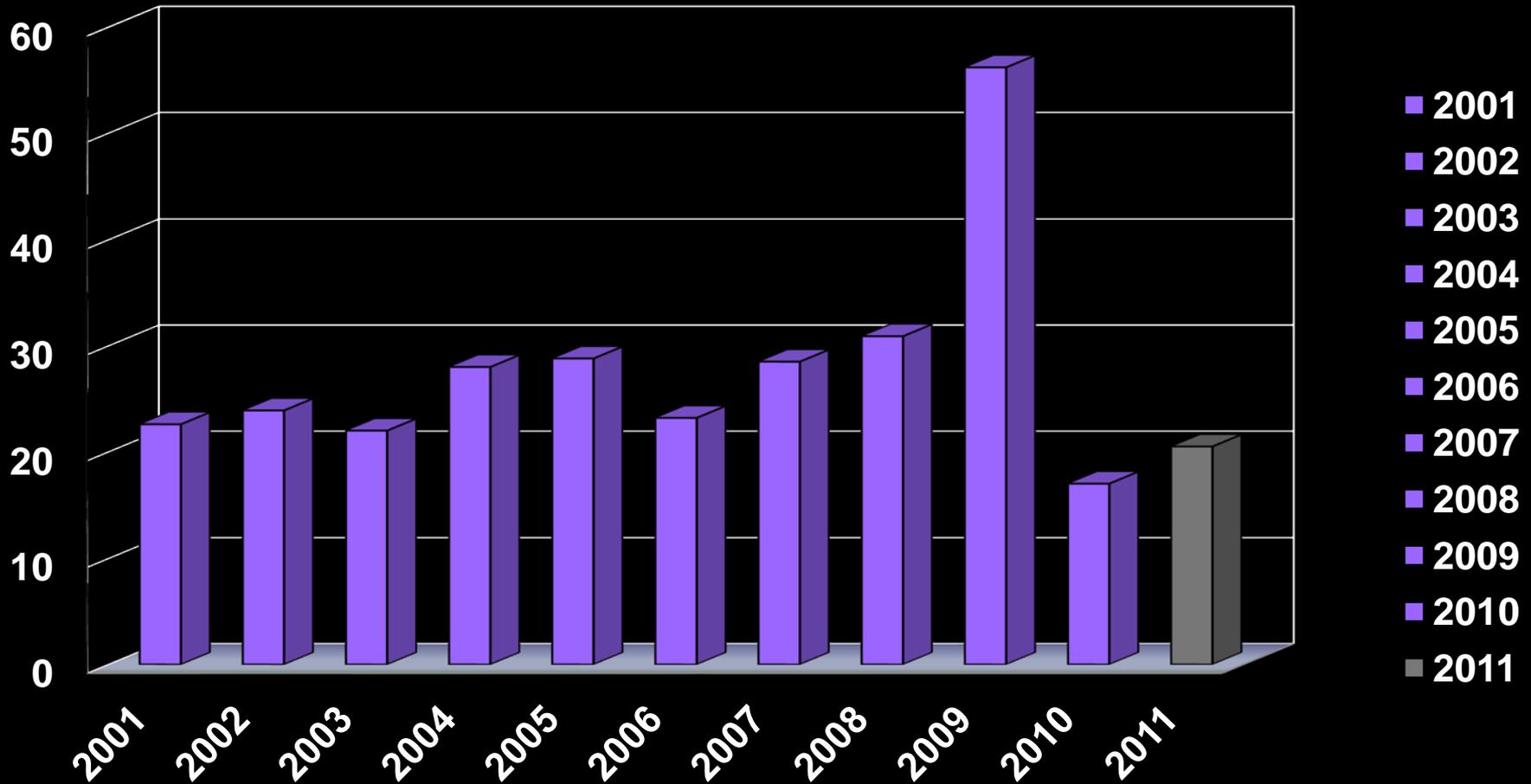
Deferred tax credit of \$50.1m booked in 08/09

# More Highlights

<b>12 months ended</b>	<b>30/6/11</b>	<b>30/6/10</b>	<b>%</b>
<b>Net Operating Cash Flows</b>	<b>43,319</b>	<b>12,872</b>	<b>236.5%</b>
<b>Net Investing Cash Flows</b>	<b>(13,853)</b>	<b>(10,194)</b>	
<b>Net Financing Cash Flows</b>	<b>(27,150)</b>	<b>(19,772)</b>	
<b>Net Debt \$000's</b>	<b>36,873</b>	<b>45,437</b>	<b>-18.8%</b>
<b>Equity Ratio</b>	<b>60.9%</b>	<b>61.4%</b>	
<b>Return on Shareholders Funds</b>	<b>20.5%</b>	<b>17.0%</b>	
<b>Earnings per share</b>	<b>9.02c</b>	<b>6.80c</b>	<b>32.65%</b>
<b>Total dividend per share</b>	<b>4.50c</b>	<b>4.00c</b>	<b>+12.5%</b>

# Return on Average Shareholders

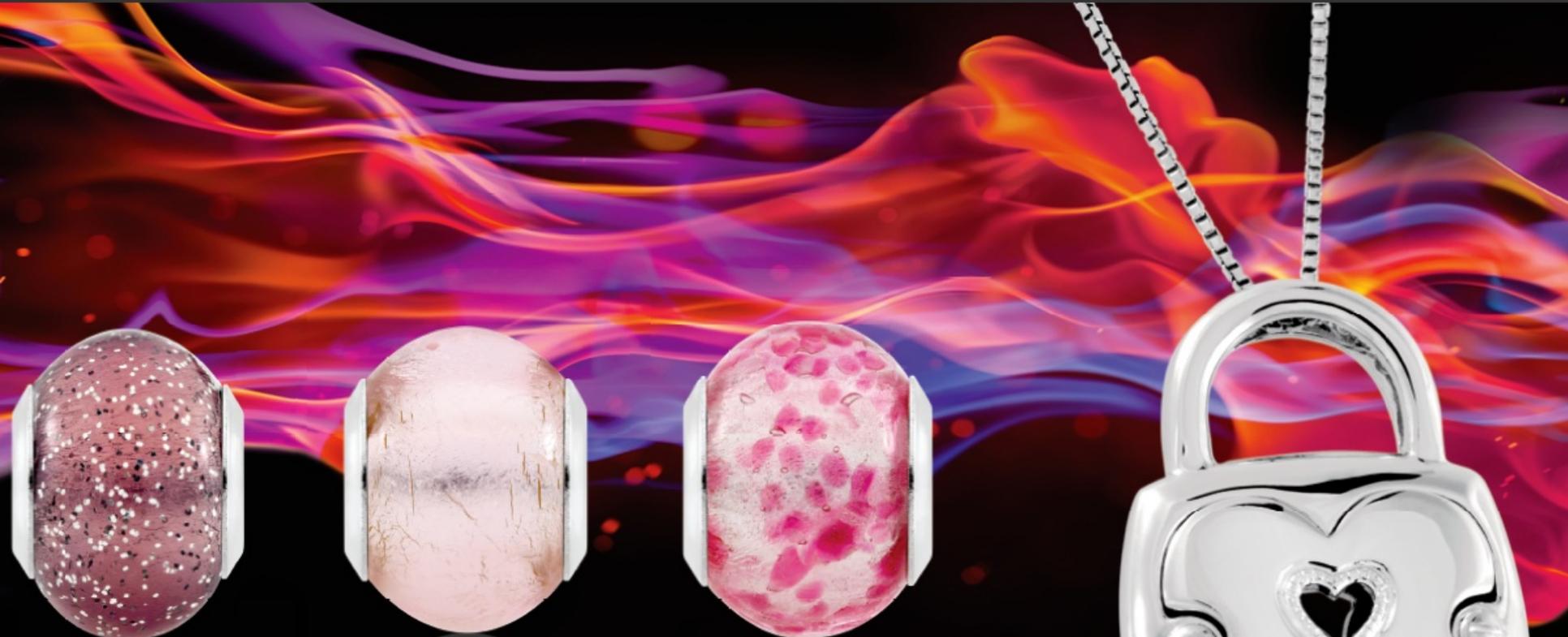
## Funds RETURN %



2009 to 2011 returns impacted by deferred tax credit of \$50.1m booked in 08/09



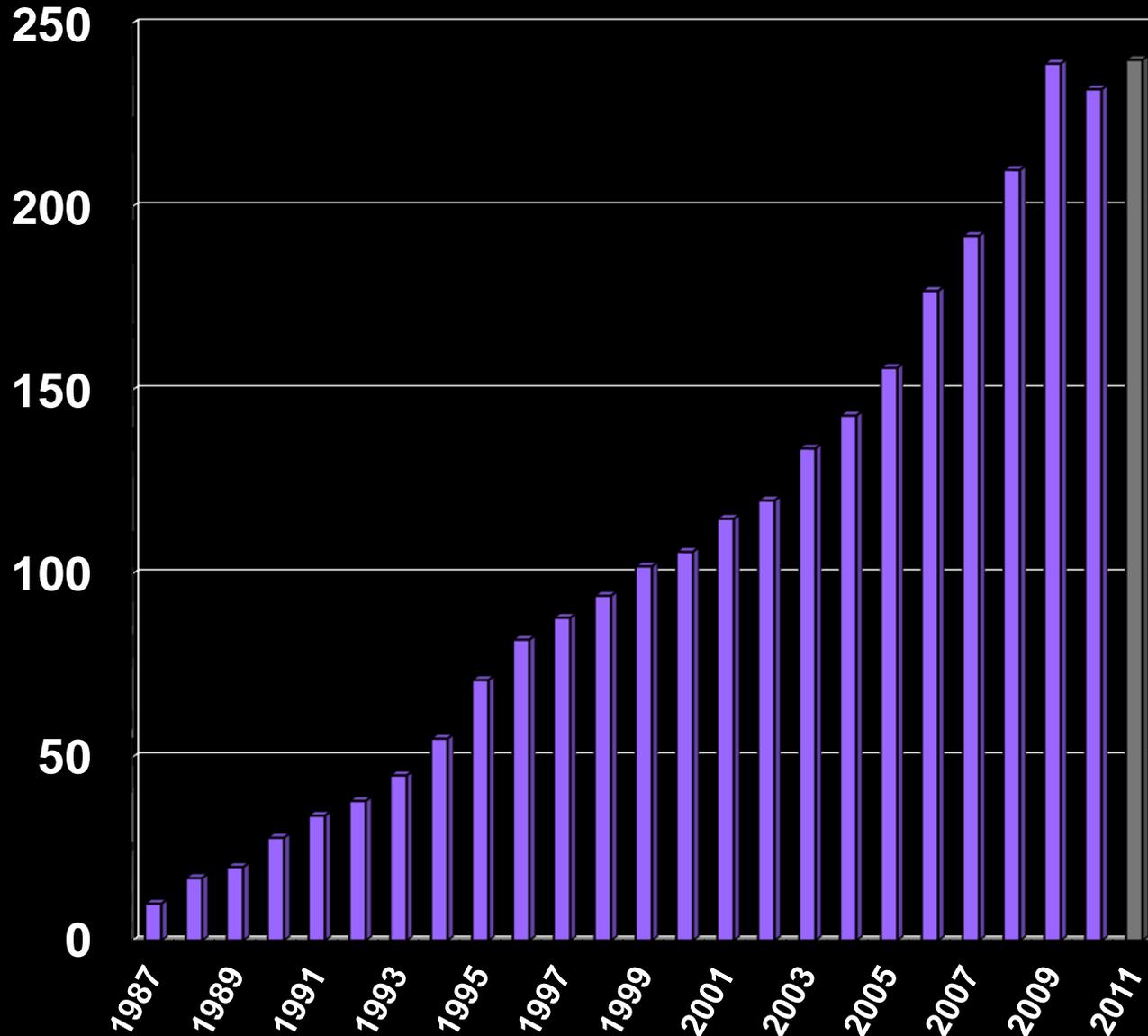
Store Expansion



# 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
- 2011 - 240 +8

<u>12 months ended</u>	<u>30/6/11</u>	<u>30/6/10</u>
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## **New Stores Opened**

<b>Australia</b>	<b>6</b>	<b>2</b>
<b>New Zealand</b>	<b>1</b>	<b>0</b>
<b>Canada</b>	<b>4</b>	<b>3</b>
<b>USA</b>	<b>0</b>	<b>0</b>
<b>Total Opened</b>	<b>11</b>	<b>5</b>

<b>Stores closed during year</b>	<b>3</b>	<b>1</b>
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**12 months ended**

**30/6/11**

**30/6/10**

**Total Stores Operating**

<b>Australia</b>	<b>146</b>	<b>141</b>
<b>New Zealand</b>	<b>52</b>	<b>53</b>
<b>Canada</b>	<b>33</b>	<b>29</b>
<b>USA</b>	<b>9</b>	<b>9</b>
<b>Total</b>	<b>240</b>	<b>232</b>



# Australasian Expansion

# NZ Expansion



Stores Operating	30/6/11	52
Planned for 11/12	1 store	53
Planned for 12/13	1 store	54
Planned for 13/14	1 store	55

# Australian Expansion



Stores operating	30/6/11	146
Planned for 11/12	9 stores	155
Planned for 12/13	10 stores	165
Planned for 13/14	10 stores	175

180 store locations have been identified as suitable locations



# North American Expansion

# Canadian Expansion

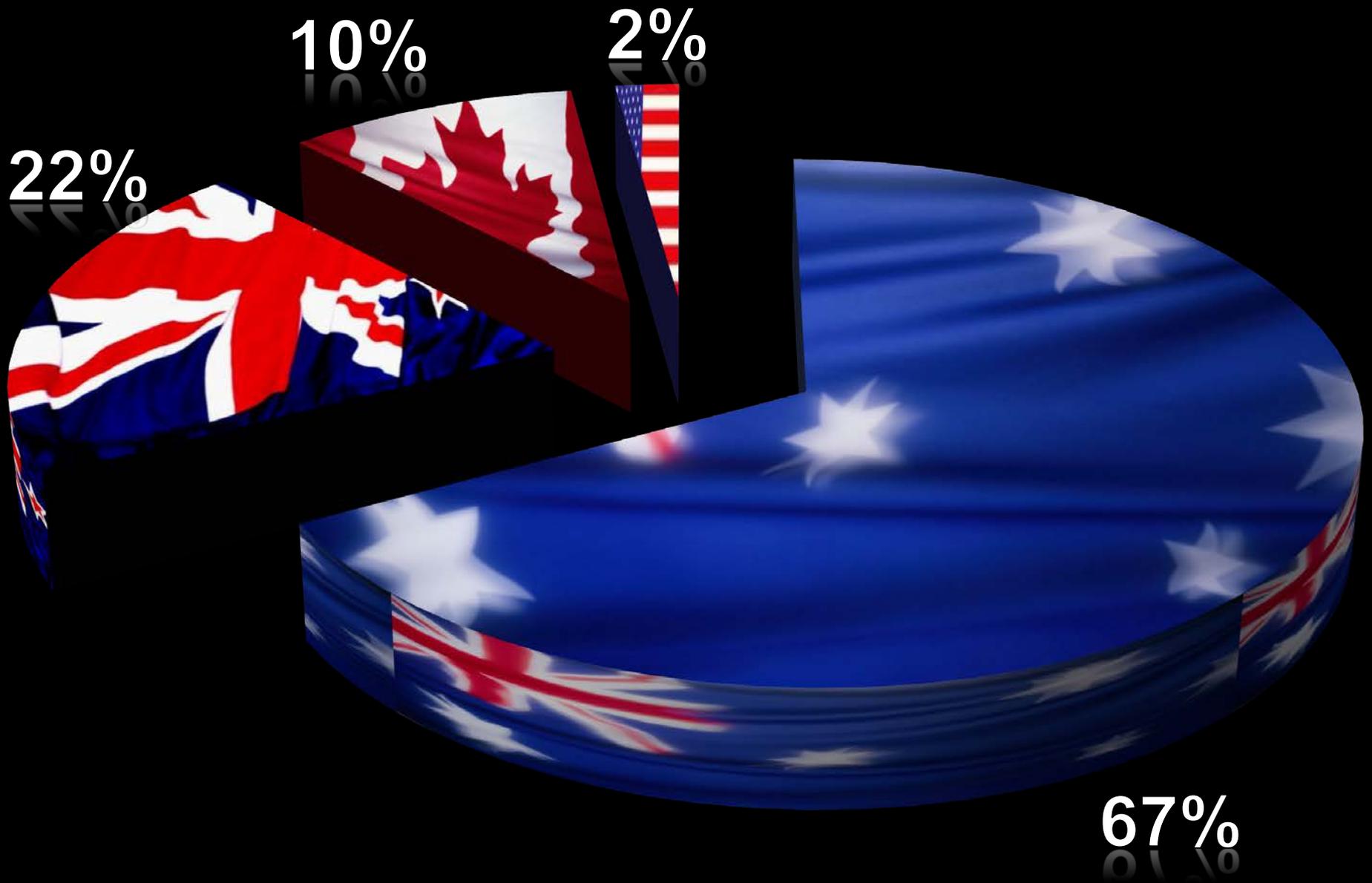


• Stores Operating	30/6/11	33
• Planned for 11/1	10 stores	43
• Planned for 12/13	10 stores	53
• Planned for 13/14	10 stores	63

**100 store locations have been identified as suitable locations**



# Segment Revenue





# Segment Results

Australasia



NZ \$000's

	2011	2010	%
Revenue	326,805	292,985	11.5%
EBIT	50,833	47,246	7.6%
As a % of Revenue	15.6%	16.1%	



NZ \$000's

	2011	2010	%
Revenue	101,742	95,811	6.2%
EBIT	18,577	16,050	15.7%
As a % of Revenue	18.3%	16.8%	



# Segment Results

North America



NZ \$000's

	<b>2011</b>	<b>2010</b>	<b>%</b>
<b>Revenue</b>	<b>48,144</b>	<b>39,398</b>	<b>22.2%</b>
<b>EBIT</b>	<b>(215)</b>	<b>(1,629)</b>	<b>86.8%</b>



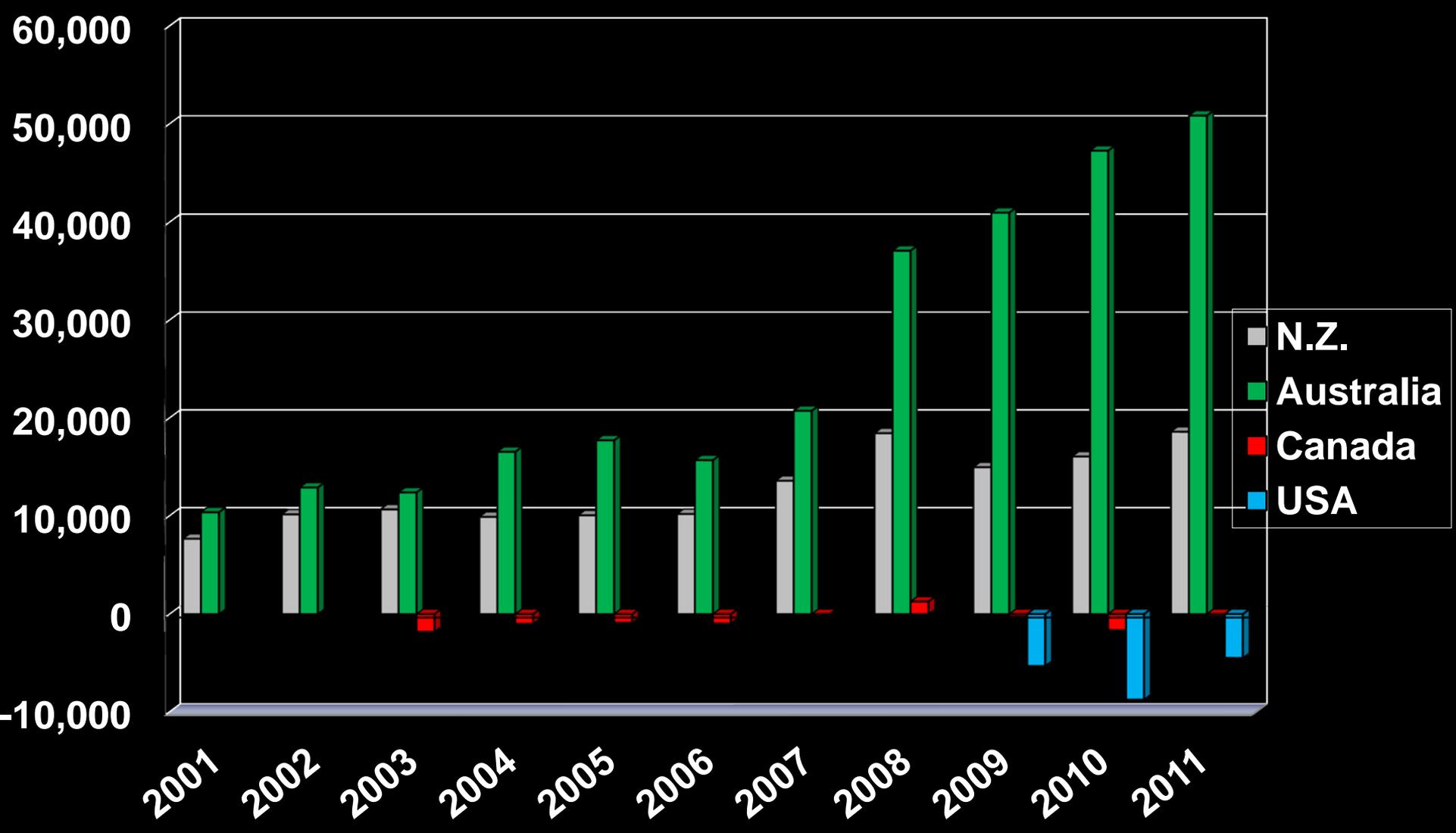
NZ \$000's

	<b>2011</b>	<b>2010</b>	<b>%</b>
<b>Revenue</b>	<b>10,630</b>	<b>14,768</b>	<b>(28%)</b>
<b>EBIT</b>	<b>(4,477)</b>	<b>(8,734)</b>	<b>48.7%</b>



**EBIT Contributions**  
EBIT Contributions

# EBIT Contributions NZ\$000's

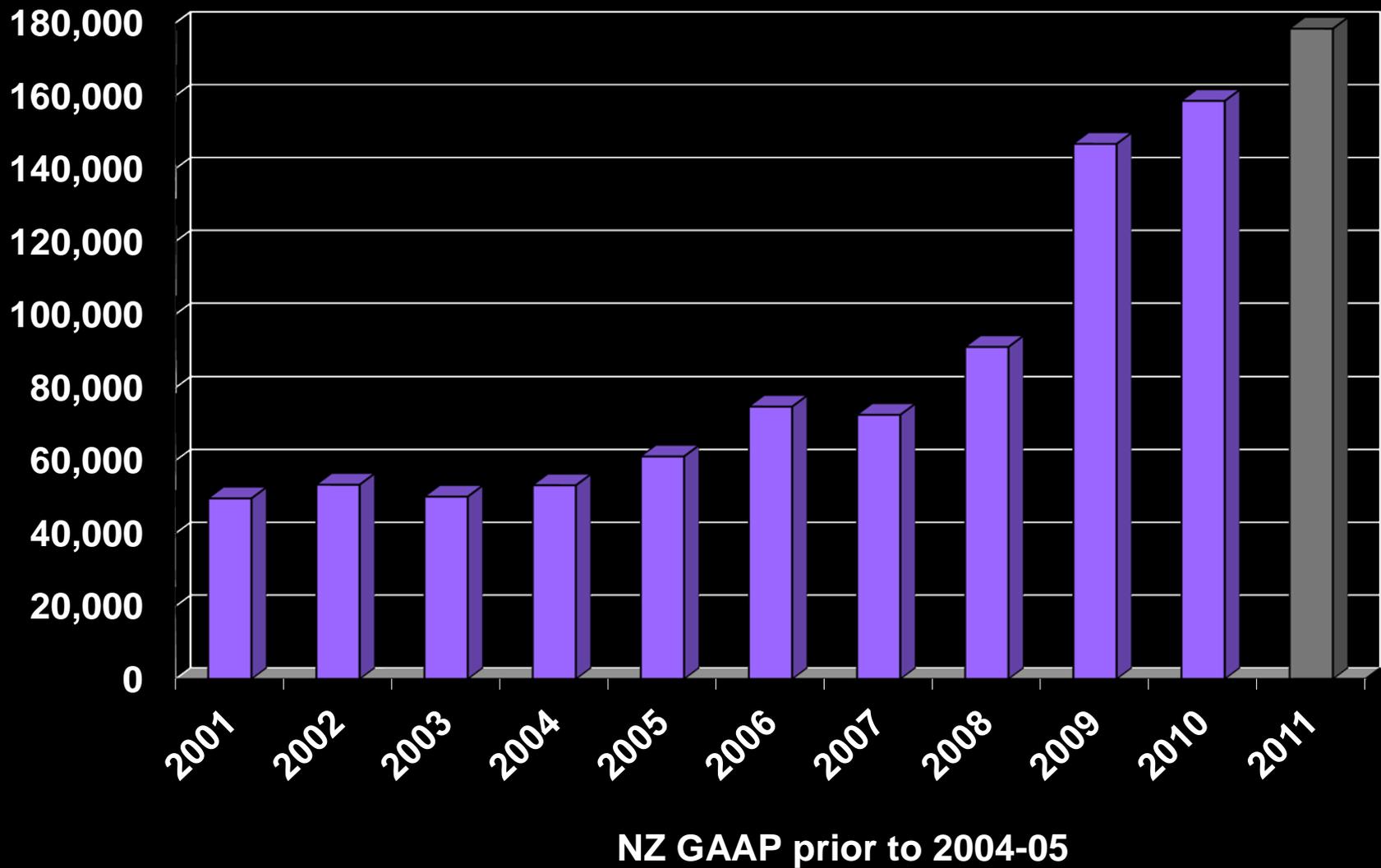




# Shareholder Funds

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# Shareholders' Funds NZ\$000's



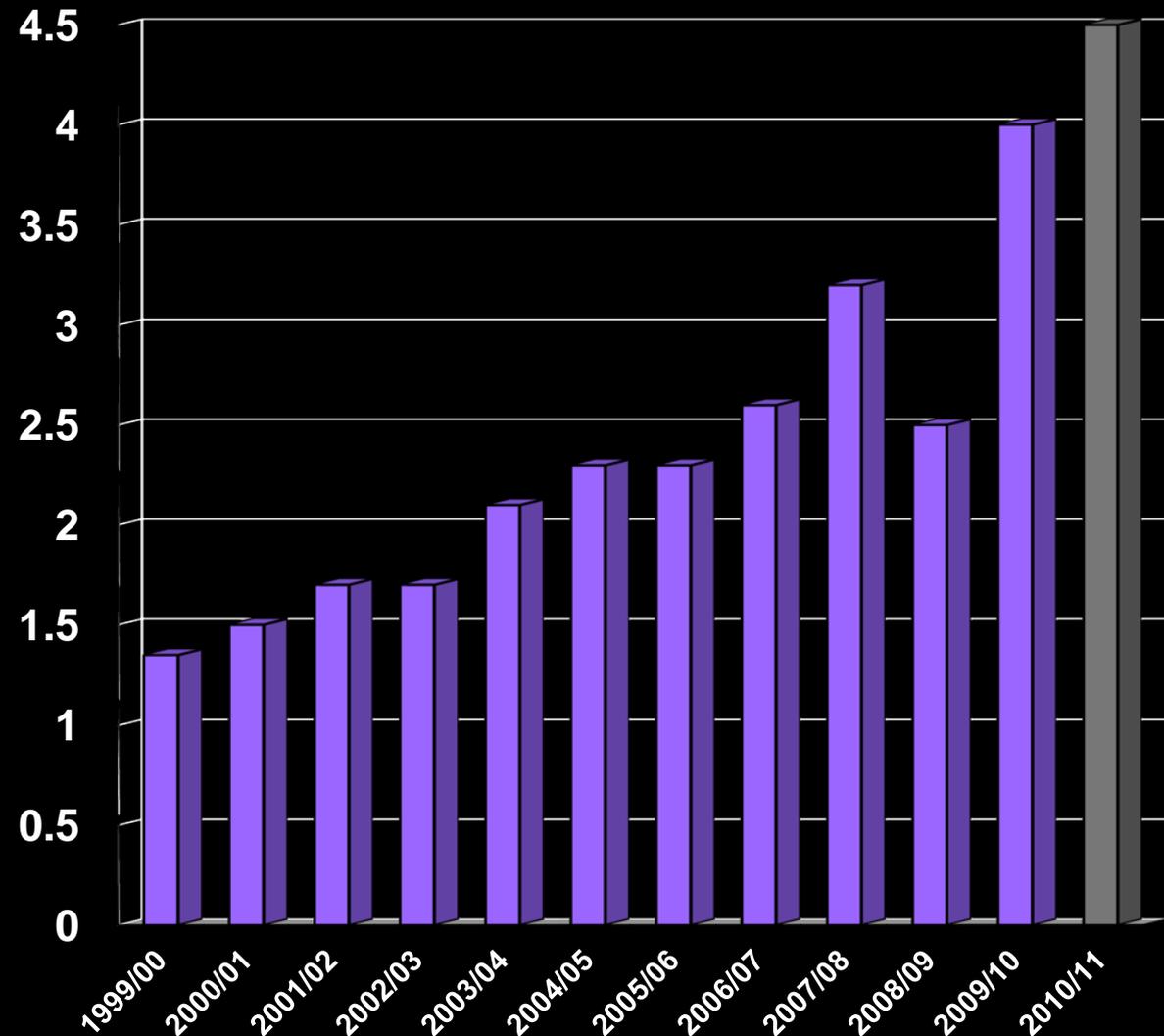


# Dividends

DIVIDENDS

# Full Year Dividend Trend (Not including Special Dividend)

cents



- 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
- 2010/11 4.5c

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

# 3 Months Sales to 30 September 2011

All figures in Local Currency

<b>Country</b>	<b>2010/11</b>	<b>2011/12</b>	<b>+/-</b>
<b>AUS same Stores</b>	<b>\$51.2m</b>	<b>\$51.2m</b>	<b>0%</b>
<b>NZ same Stores</b>	<b>\$20.3m</b>	<b>\$20.6m</b>	<b>+1.3%</b>
<b>CAN same stores</b>	<b>\$6.5m</b>	<b>\$6.7m</b>	<b>+2.6%</b>
<b>US stores</b>	<b>\$1.4m</b>	<b>\$1.9m</b>	<b>+35.0%</b>
<b>AUS all stores</b>	<b>\$51.6m</b>	<b>\$54.5m</b>	<b>+5.6%</b>
<b>NZ all stores</b>	<b>\$20.7m</b>	<b>\$20.9m</b>	<b>+1.0%</b>
<b>CAN all stores</b>	<b>\$6.5m</b>	<b>\$7.7m</b>	<b>+18.2%</b>
<b>US all stores</b>	<b>\$1.4m</b>	<b>\$1.9m</b>	<b>+35.0%</b>
<b>Professional Care Program</b>			
<b>Revenue collected</b>	<b>NZ\$0.0m</b>	<b>NZ\$5.4m</b>	



**Full Year Results 30 June 2011**

Full Year Results 30 June 2011