

Statement of Segmented Results
for the six months ended 31 December 2008

	MHJ NEW ZEALAND			MHJ AUSTRALIA			MHJ CANADA			MHJ USA			GROUP		
	2008 \$'000	2007 \$'000	+/-%	2008 \$'000	2007 \$'000	+/-%	2008 \$'000	2007 \$'000	+/-%	2008 \$'000	2007 \$'000	+/-%	2008 \$'000	2007 \$'000	+/-%
Operating revenue															
Sales to customers	49,585	53,672	(7.6%)	150,199	137,462	9.3%	19,667	17,691	11.2%	6,999	-	-	226,450	208,825	8.4%
Unallocated revenue													526	366	43.7%
Total operating revenue													\$ 226,976	\$ 209,191	8.5%
Segment results															
Operating surplus	6,845	9,097	(24.8%)	18,573	18,048	2.9%	(561)	488	(215.0%)	(2,379)	-	-	22,478	27,633	(18.7%)
Unallocated revenue less unallocated expenses													(4,586)	848	(640.8%)
Profit before income tax													17,892	28,481	(37.2%)
Income tax credit / (expense)													47,722	(9,001)	(630.2%)
Profit for the year													\$ 65,614	\$ 19,480	236.8%
Segment assets	37,587	38,343	(2.0%)	96,611	90,234	7.1%	24,617	23,345	5.4%	15,503	-	-	174,318	151,922	14.7%
Unallocated													98,239	47,802	105.5%
Total													\$ 272,557	\$ 199,724	36.5%
Segment Liabilities	7,899	9,685	(18.4%)	12,917	12,484	3.5%	1,267	3,738	(66.1%)	347	-	-	22,430	25,907	(14.6%)
Unallocated													100,184	88,977	13.0%
Total													\$ 122,614	\$ 114,884	6.7%
Segment acquisitions of property, plant & equipment and intangibles															
Unallocated	1,663	1,025	62.2%	3,354	4,328	(22.5%)	415	1,759	(76.4%)	-	-	-	5,432	7,112	(23.6%)
Total													\$ 6,034	\$ 8,482	(28.9%)
Segment depreciation and amortisation expense															
Unallocated	827	769	7.5%	2,496	2,154	15.9%	497	273	82.1%	-	-	-	3,820	3,196	19.5%
Total													\$ 4,835	\$ 4,090	18.2%

Notes:

- 1 The company operates in 4 geographical segments; New Zealand, Australia, Canada and the United States of America 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.