



michael hill

INTERNATIONAL LIMITED

FULL YEAR RESULTS

30TH JUNE 2013

THE YEAR IN REVIEW

- Revenue increased to \$549.5m
- EBIT of \$50.2m up 9.4%
- NPAT of \$40.032m
- Revenue collected from Professional Care Plans \$33.1 m
- All 4 segments improved their bottom lines



THE YEAR IN REVIEW

- 18 new stores opened costing \$8.2m
- 33 stores refurbished costing \$11.1m
- Dividend up 18.2% to 6.5 cents
- Balance sheet in good shape with a 59.4% equity ratio



THE YEAR IN REVIEW

PRIORITIES	RESULTS
To drive an increase in same store sales and EBIT, especially in Australia	Group same store sales increased 1.2% and 4.3% in Australia. Group EBIT grew 9.4% and 14.7% in Australia
To open 20 new stores across the Group	18 new stores were opened during the year
To deliver a return on average shareholders' funds in excess of 20%	A return on average shareholders' funds was achieved of 20.0%
To achieve further profit growth in Canada	Canadian segment profit improved 116% to CA\$1.1m, an increase of CA\$0.6m on the previous year

THE YEAR IN REVIEW

PRIORITIES	RESULTS
To drive continued sales improvement in the 9 stores in the US	Same store sales in the US increased 6.4% during the year
To establish an in-house customer finance department to support our North American businesses	The credit facility was established and sales of CA\$9.0m and US\$1.1m were funded by the in-house customer finance program
To improve gross margin on inventory employed	Gross profit margin increased 1.8% to 63.7% in 2012-13 and our return on inventory employed increased 13% to 188.8%

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

\$000's

	12 months Ended 30/6/13	12 months Ended 30/6/12	% Move
Group revenue	549,521	511,497	+7.4%
Gross profit	349,941	316,592	+10.5%
EBITDA	63,227	58,220	+8.6%
Depreciation	13,034	12,328	+5.7%
EBIT	50,193	45,892	+9.4%
EBIT % of sales	9.1%	9.0%	
NPBT	47,040	42,036	+11.9%
NPAT	40,032	36,511	+9.6%

GROUP REVENUE TO 30 JUNE

NZ\$000's

600,000

500,000

400,000

300,000

200,000

100,000

0

2004

2005

2006

2007

2008

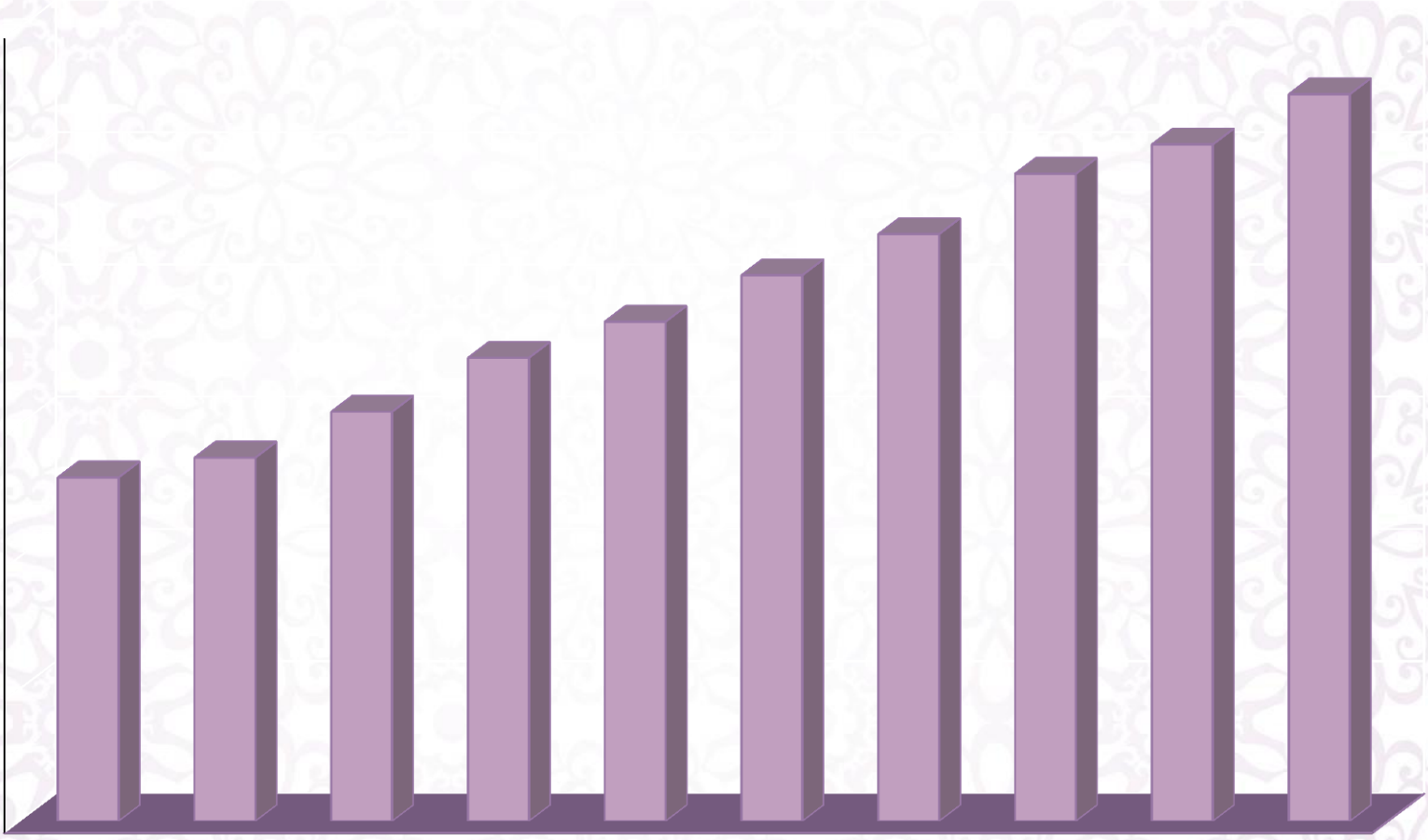
2009

2010

2011

2012

2013



NET PROFIT AFTER TAX TO 30 JUNE

NZ\$000's



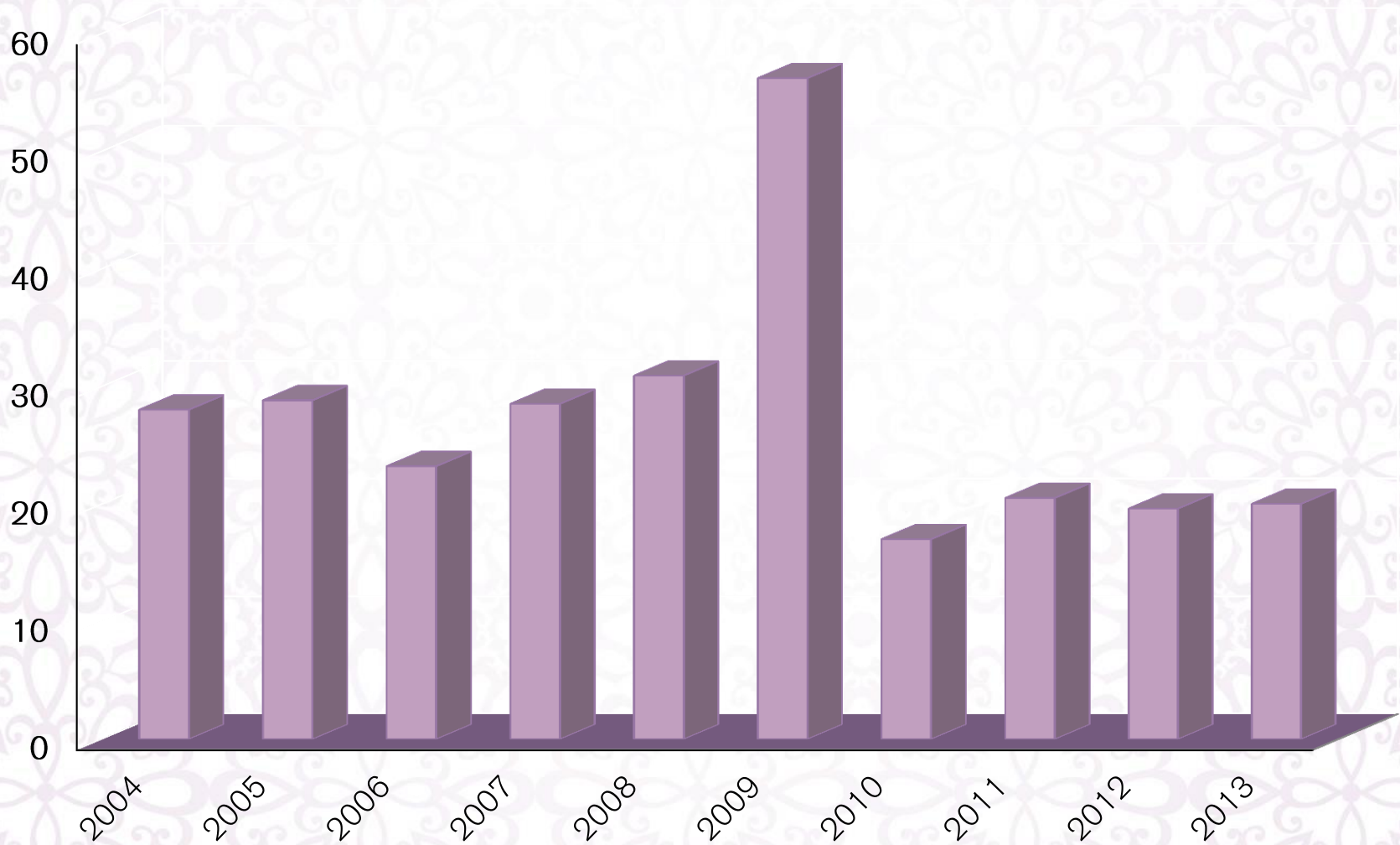
2009 impacted by deferred tax credit of \$50.1m

MORE HIGHLIGHTS

	12 months ended 30/6/13	12 months ended 30/6/12	% Move
Net operating cash flows \$000's	52,345	52,131	+0.4%
Working capital \$000's	142,273	142,142	+0%
Net debt \$000's	20,890	20,994	-0.5%
Equity ratio	59.4%	60.1%	
Return on shareholders' funds	20.0%	19.6%	
Earnings per share	10.46c	9.54c	+9.6%
Total dividend per share	6.5c	5.5c	+18.2%

RETURN ON AVERAGE SHAREHOLDERS' FUNDS

2009 to 2013 returns impacted by deferred tax credit of \$50.1m booked in 08/09

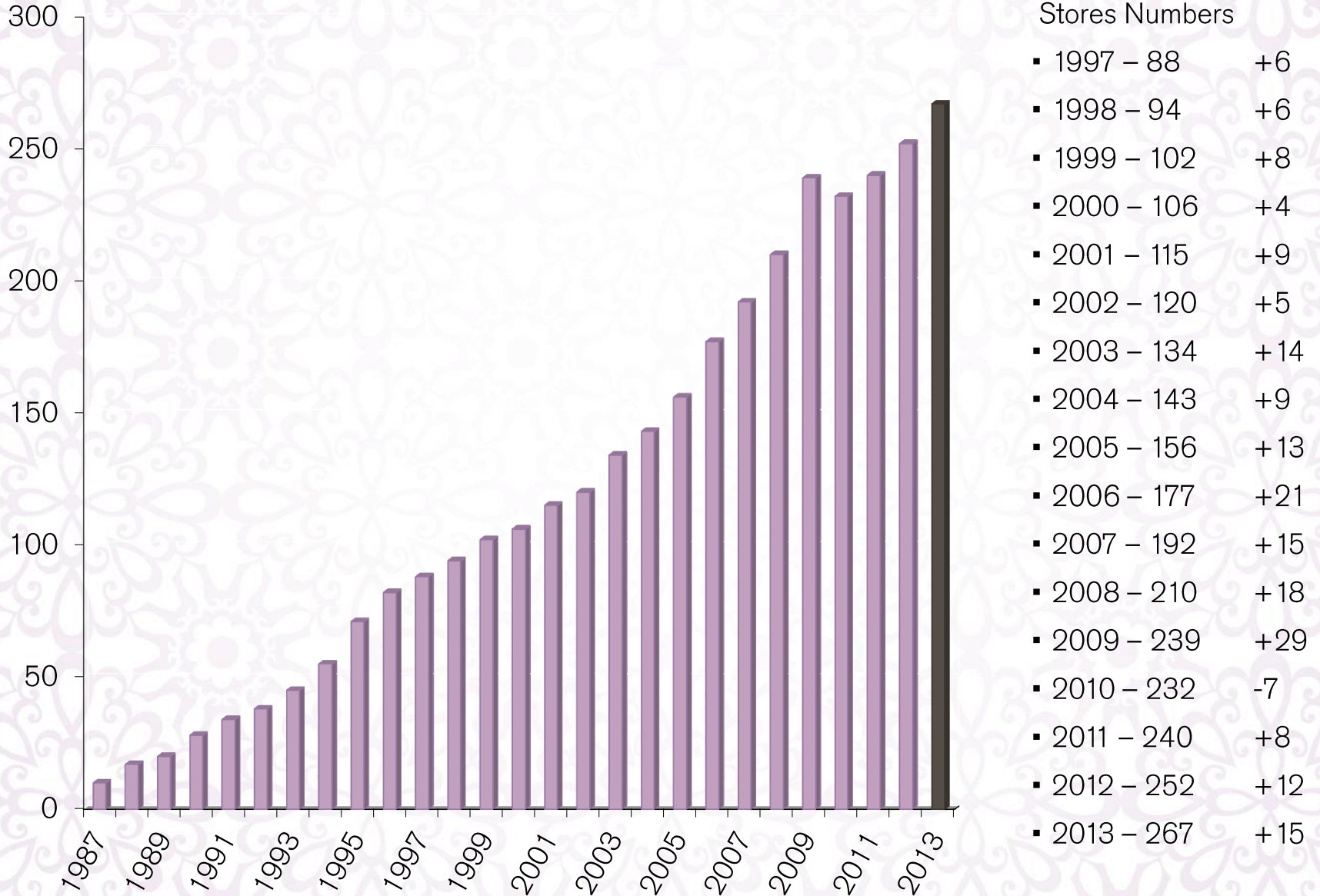


STORE EXPANSION

GROWTH PHILOSOPHY

Controlled profitable growth with
an emphasis on improving
existing operations

TOTAL STORES OPERATING



NEW STORES OPENED

	12 months ended 30/6/13	12 months ended 30/6/12
Australia	10	10
New Zealand	0	1
Canada	8	4
USA	0	0
Total opened	18	15
Stores closed	3	3

TOTAL STORES OPERATING

	12 months ended 30/6/13	12 months ended 30/6/12
Australia	162	153
New Zealand	52	53
Canada	45	37
USA	8	9
Total	267	252

AUSTRALASIAN EXPANSION

NZ EXPANSION

Stores Operating
30/6/13

52

Planned for 13/14

1 store

53

Planned for 14/15

1 store

54

Planned for 15/16

1 store

55

AUSTRALIAN EXPANSION

Stores Operating 30/6/13		162
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Planned for 13/14	10 stores	172
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Planned for 14/15	7 stores	179
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Planned for 15/16	5 stores	184
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185 store locations have been identified as suitable locations

NORTH AMERICAN EXPANSION

CANADIAN EXPANSION

Stores Operating 30/6/13		45
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Planned for 13/14	10 stores	55
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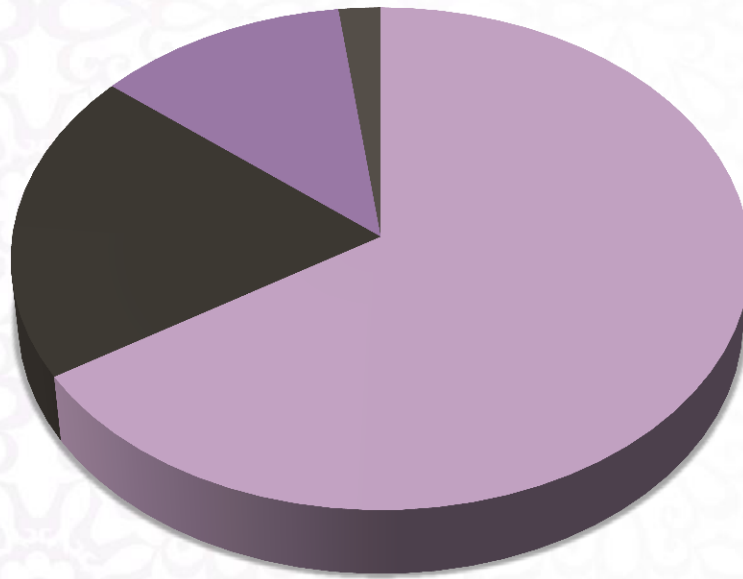
Planned for 14/15	10 stores	65
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Planned for 15/16	10 stores	75
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110 store locations have been identified as suitable locations

**SEGMENT REVENUE
TO 30 JUNE 2013**

SALES BY COUNTRY



- Australia 66%
- New Zealand 20%
- Canada 12 %
- USA 2%

SEGMENT RESULTS

AUSTRALASIA

AUSTRALIA

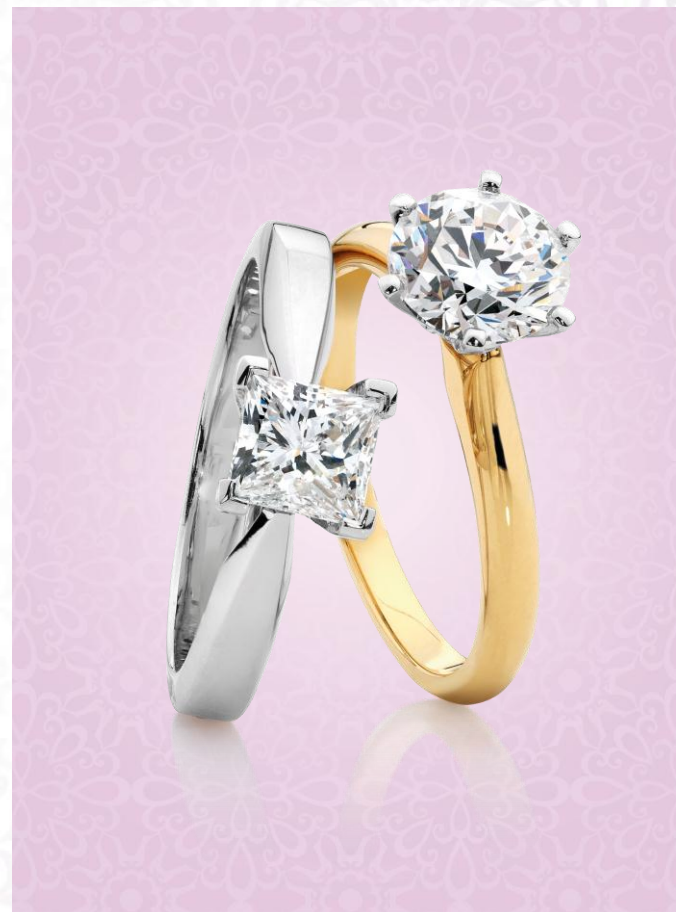
	2013	2012	% move
Revenue	361,238	333,174	+8.4%
EBIT	52,712	47,509	+11.0%
As a % of revenue	14.6%	14.3%	

NZ \$000's

NEW ZEALAND

	2013	2012	% move
Revenue	111,357	109,110	+2.1%
EBIT	22,128	21,550	+2.7%
As a % of revenue	19.9%	19.8%	

NZ \$000's



SEGMENT RESULTS

NORTH AMERICA

CANADA

	2013	2012	% move
Revenue	64,138	55,124	+16.4%
EBIT	1,356	713	+90.2%
As a % of revenue	2.1%	1.3%	

NZ \$000's

USA

	2013	2012	% move
Revenue	12,472	11,999	+3.9%
EBIT	(2,863)	(3,296)	+13.1%
As a % of revenue	(23.0%)	(27.5%)	

NZ \$000's



SALES 2012 - 2013

12 MONTHS SALES TO 30 JUNE 2013

Country	2013	2012	+/-
AU same stores	\$259.2m	\$248.6m	+4.3%
NZ same stores	\$110.1m	\$108.1m	+1.9%
CA same stores	\$42.5m	\$41.8m	+1.7%
US same stores	\$9.2m	\$8.6m	+6.4%

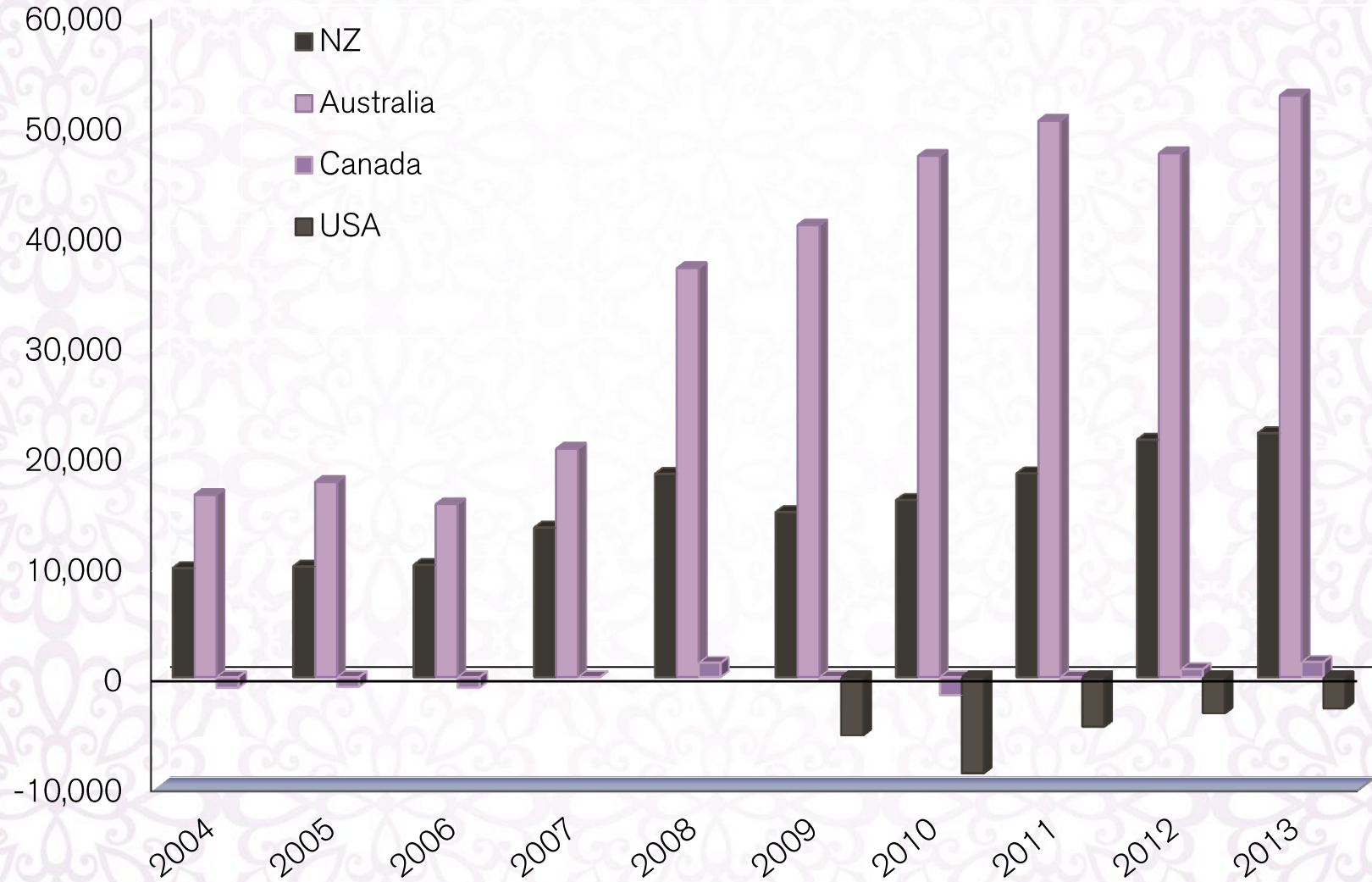
AU all stores	\$289.3m	\$259.0m	+11.7%
NZ all stores	\$111.4m	\$109.1m	+2.1%
CA all stores	\$53.0m	\$44.3m	+19.6%
US all stores	\$10.3m	\$9.6m	+7.2%

All figures in local currency

EBIT CONTRIBUTIONS

EBIT CONTRIBUTIONS BY COUNTRY

NZ\$000's



SHAREHOLDERS' FUNDS

SHAREHOLDERS' FUNDS

NZ\$000's

250,000

200,000

150,000

100,000

50,000

0

2004

2005

2006

2007

2008

2009

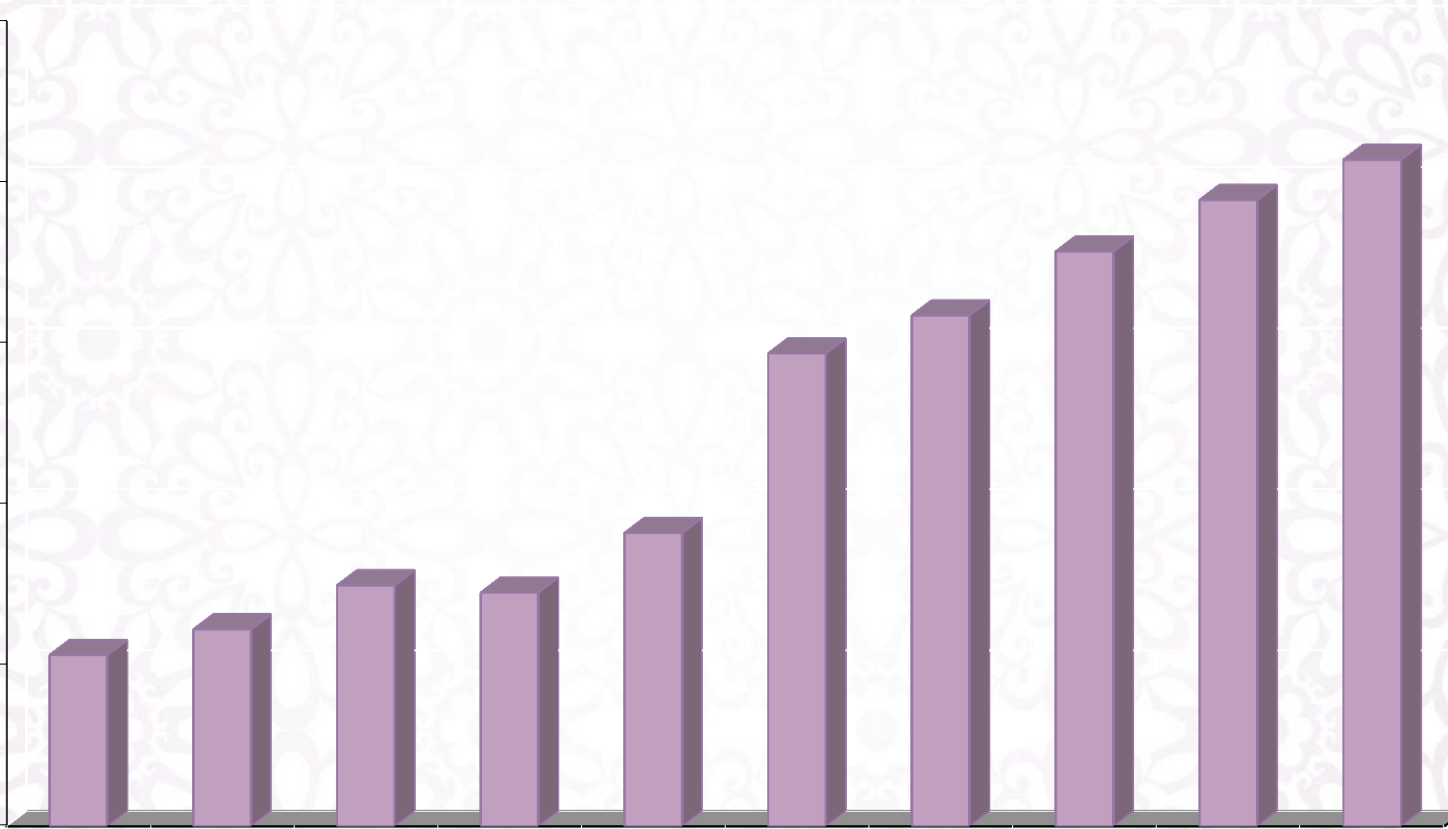
2010

2011

2012

2013

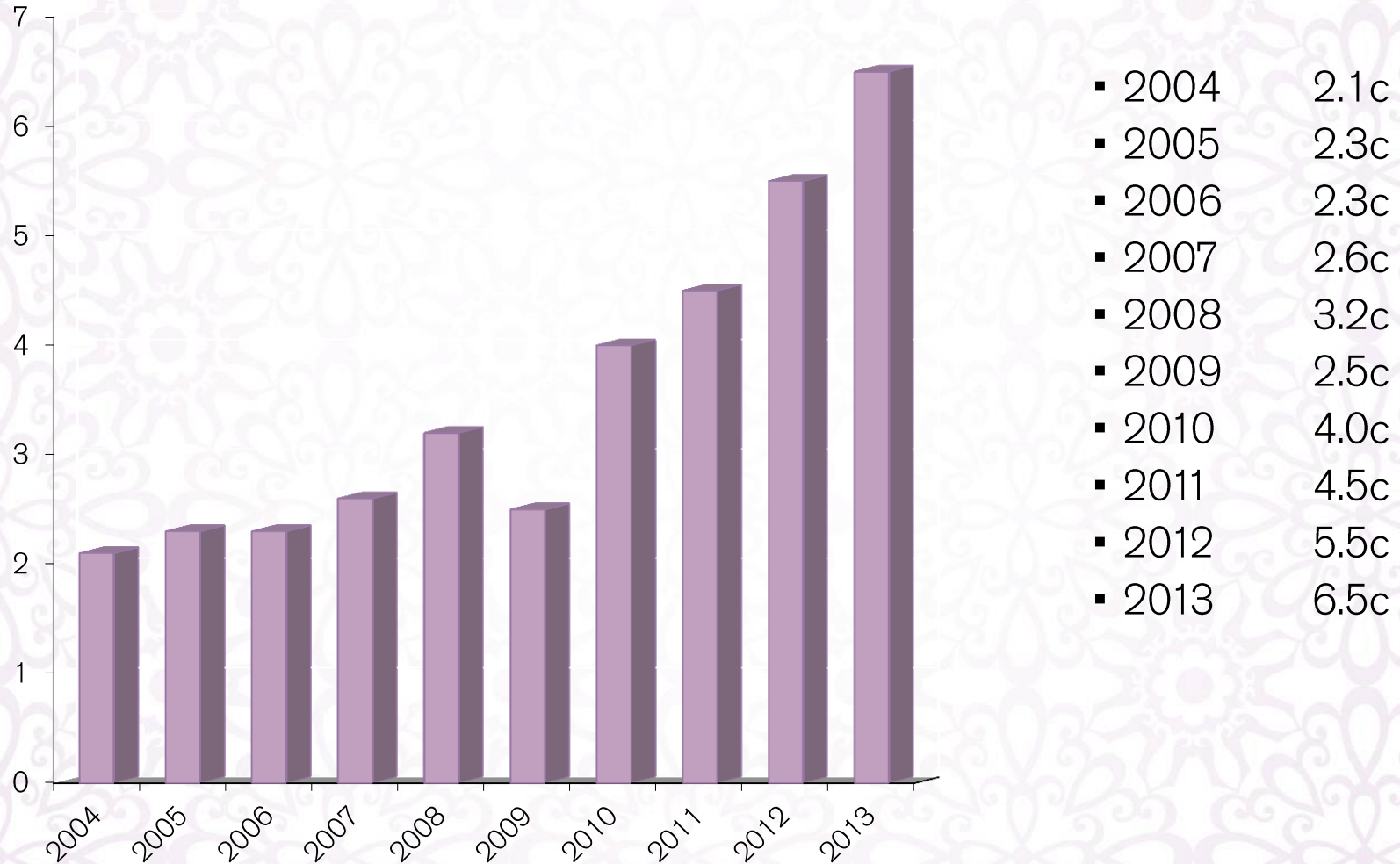
NZ GAAP prior to 2004-05



DIVIDENDS

DIVIDENDS PAID

cents per share



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

PRIORITIES FOR 2013/14

- Open 20 new Michael Hill stores in Australia and Canada
- US business model
 - Diamond bridal category test
 - Real estate strategy
- Continued PCP growth
- Brand strategy
- E Commerce – digital presence
- New business opportunities
- Increased EBIT performance and ROE

3 MONTHS TRADING UPDATE TO 30 SEPTEMBER 2013

The following figures are in local currency

	Last Year	This Year	% Var
Australia same stores	59,543,829	60,183,650	1.1%
New Zealand same stores	22,623,440	21,228,962	(6.2%)
Canada same stores	9,710,436	10,284,027	5.9%
United States same stores	1,841,461	1,973,756	7.2%
Australia all stores	61,369,042	64,718,588	5.5%
New Zealand all stores	22,665,410	21,277,326	(6.1%)
Canada all stores	9,895,766	12,406,901	25.4%
United States all stores	2,056,816	1,971,011	(4.2%) *

*One store was closed in June 2013 hence the fall in revenue for "all stores"

3 MONTHS TRADING UPDATE TO 30 SEPTEMBER 2013

The following figures are in Australian dollars

	Last Year	This Year	% Var
PCP revenue collected	\$5,069,333	\$6,676,219	31.7%
PCP revenue brought to income	\$1,800,150	\$3,929,059	118.3%



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