



Full Year Results 30 June 2012

**michael hill**  
INTERNATIONAL LIMITED



The Year in Review

# The Year in Review

- ❖ Revenue exceeds \$500m for the first time
- ❖ EBIT of \$45.892m a record result for the group
- ❖ Canada returns to profit during the year
- ❖ US continues to improve with a 17.2% same stores revenue lift



# The Year in Review

- 💎 15 new stores opened across the group
- 💎 Dividend up 22.2% to 5.5 cents per share
- 💎 Balance sheet in good shape with a 60.1% equity ratio





# Financial Highlights

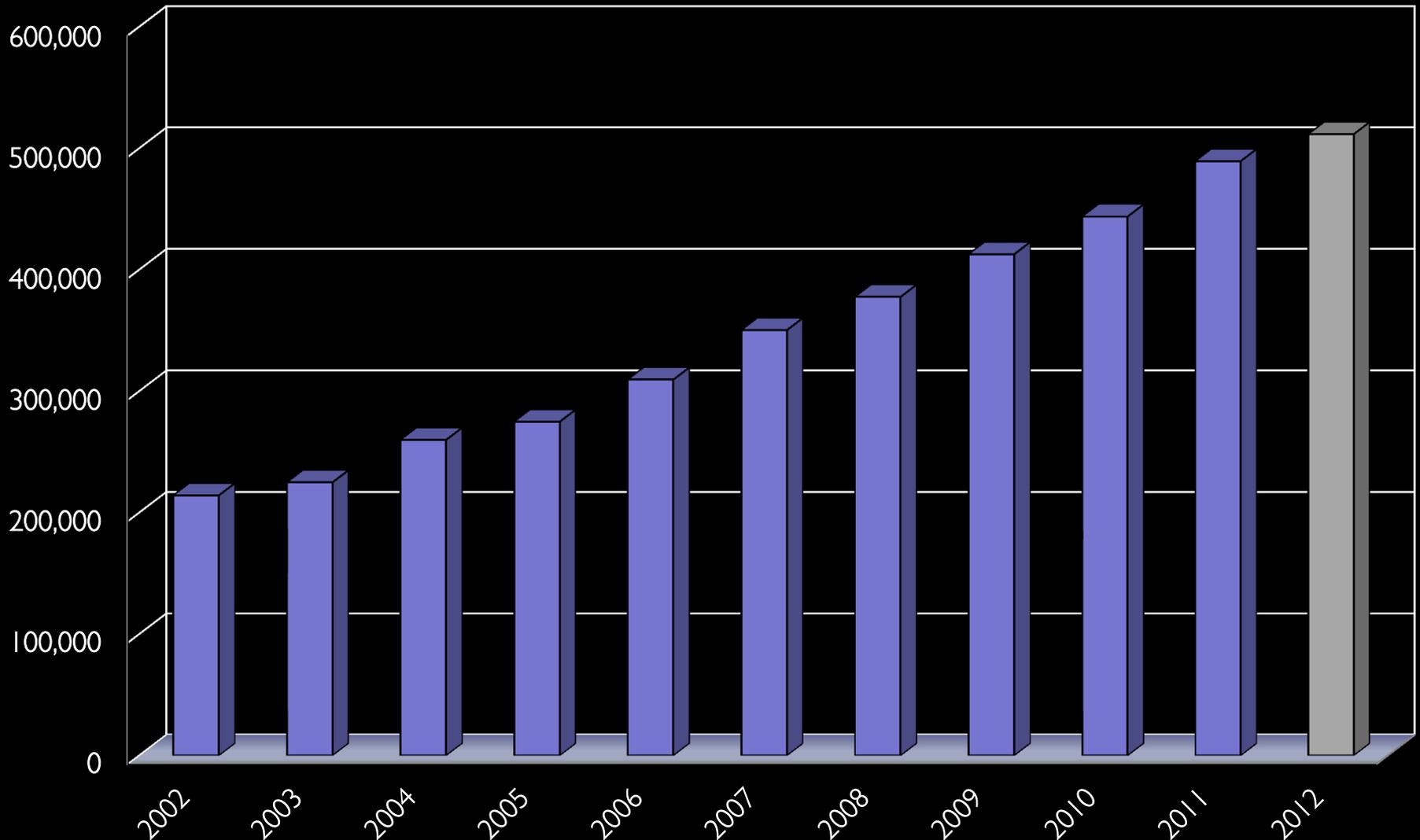


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	\$000's	\$000's	
<u>12 months ended</u>	<u>30/6/12</u>	<u>30/6/11</u>	<u>%</u>
Group Revenue	511,497	489,330	4.5%
EBITDA	58,220	57,091	2.0%
EBIT	45,892	45,638	0.6%
NPBT	42,036	39,985	5.1%
NPAT	36,511	34,499	5.8%

# Group Revenue to 30 June

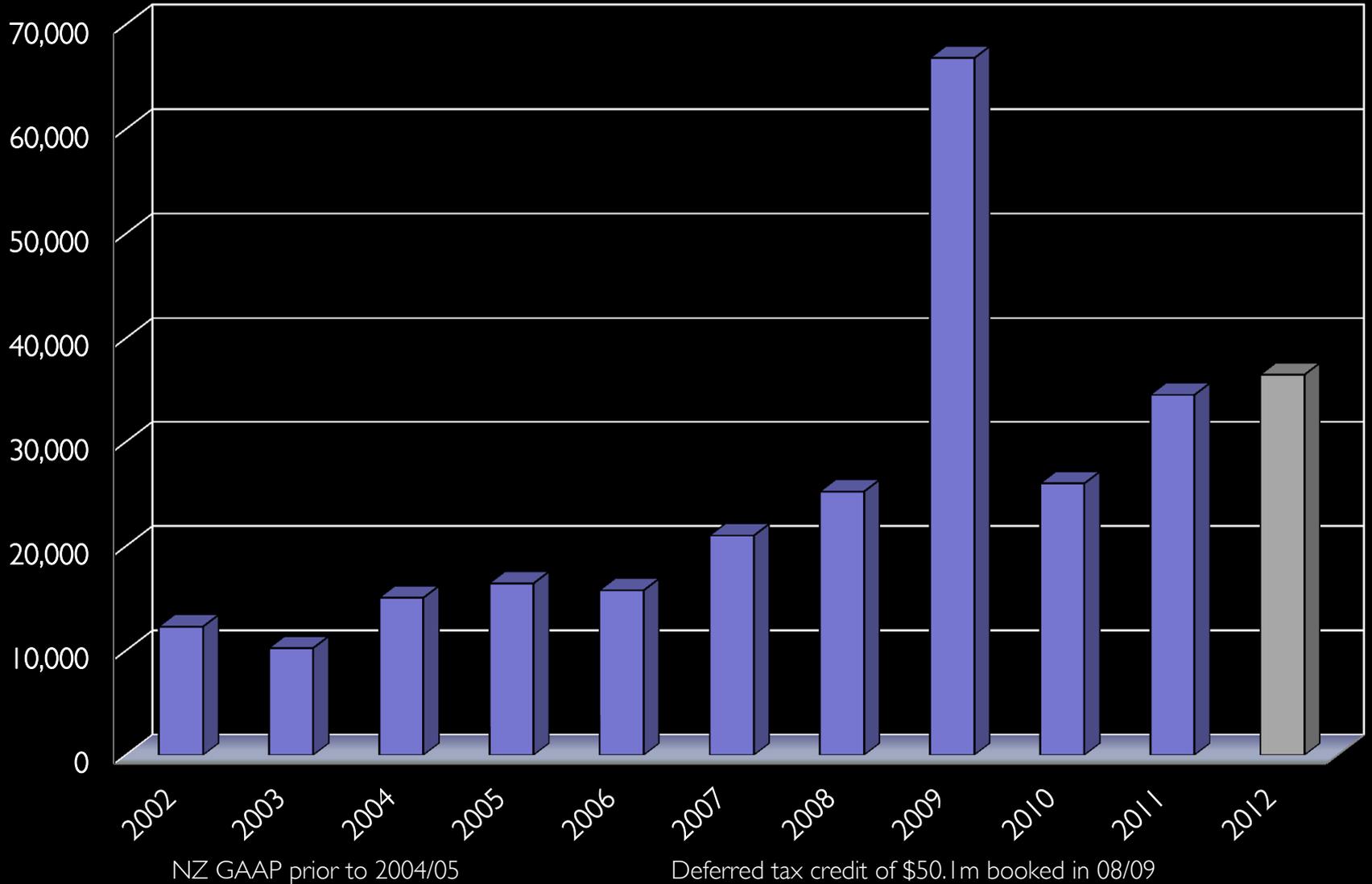
NZ\$000's



NZ GAAP prior to 2004-2005

# Net Profit After Tax to 30 June

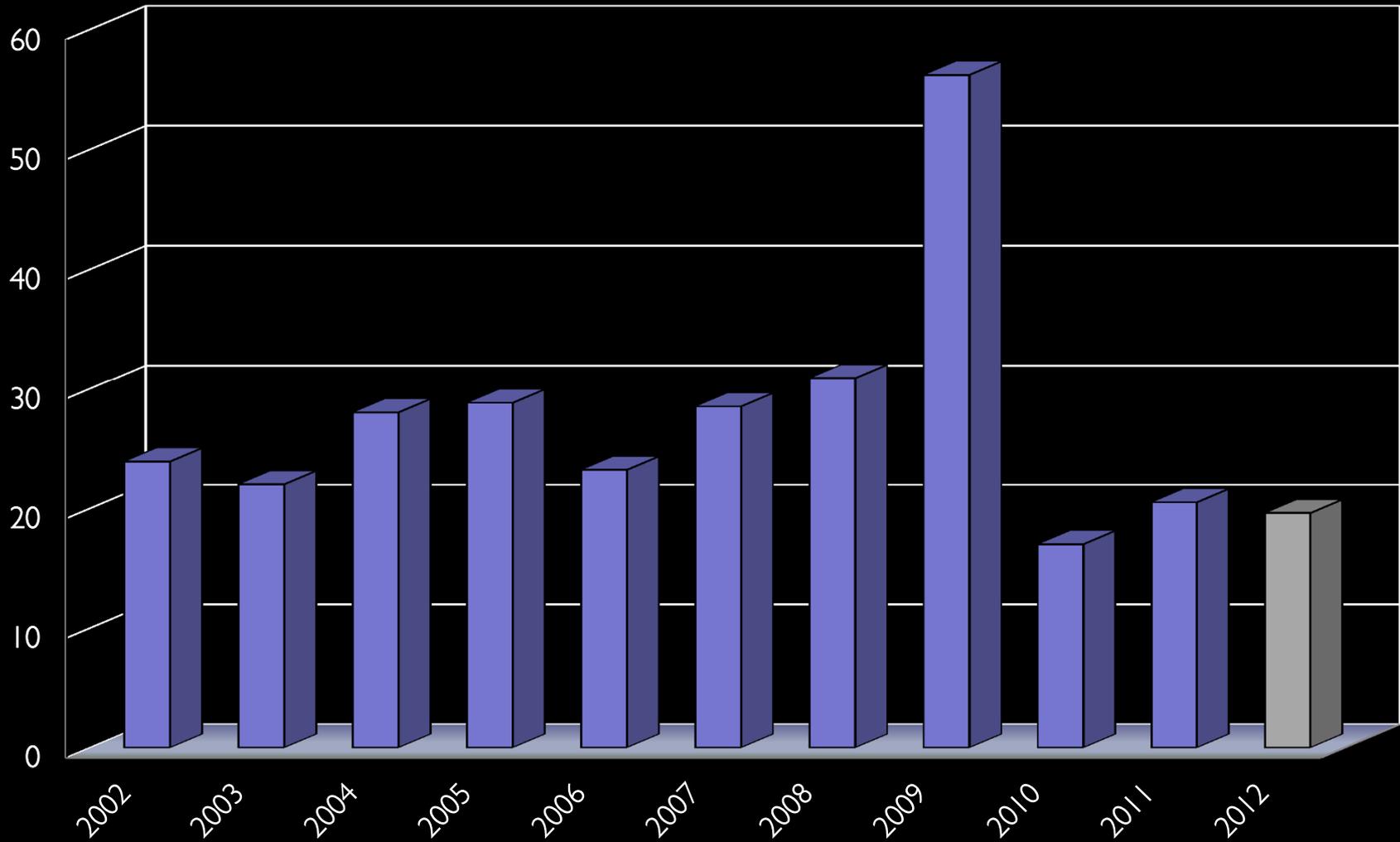
NZ\$000's



# More Highlights

<u>12 months ended</u>	<u>30/6/12</u>	<u>30/6/11</u>	<u>%</u>
Net Operating Cash Flows	52,131	43,319	20.3%
Net Investing Cash Flows	(17,897)	(13,853)	
Net Financing Cash Flows	(30,587)	(27,150)	
Net Debt \$000's	20,994	36,873	-43.1%
Equity Ratio	60.1%	60.9%	
Return on Shareholders Funds	19.6%	20.5%	
Earnings per share	9.54c	9.02c	5.8%
Total dividend per share	5.5c	4.5c	22.2%

# Return on Average Shareholders Funds %



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



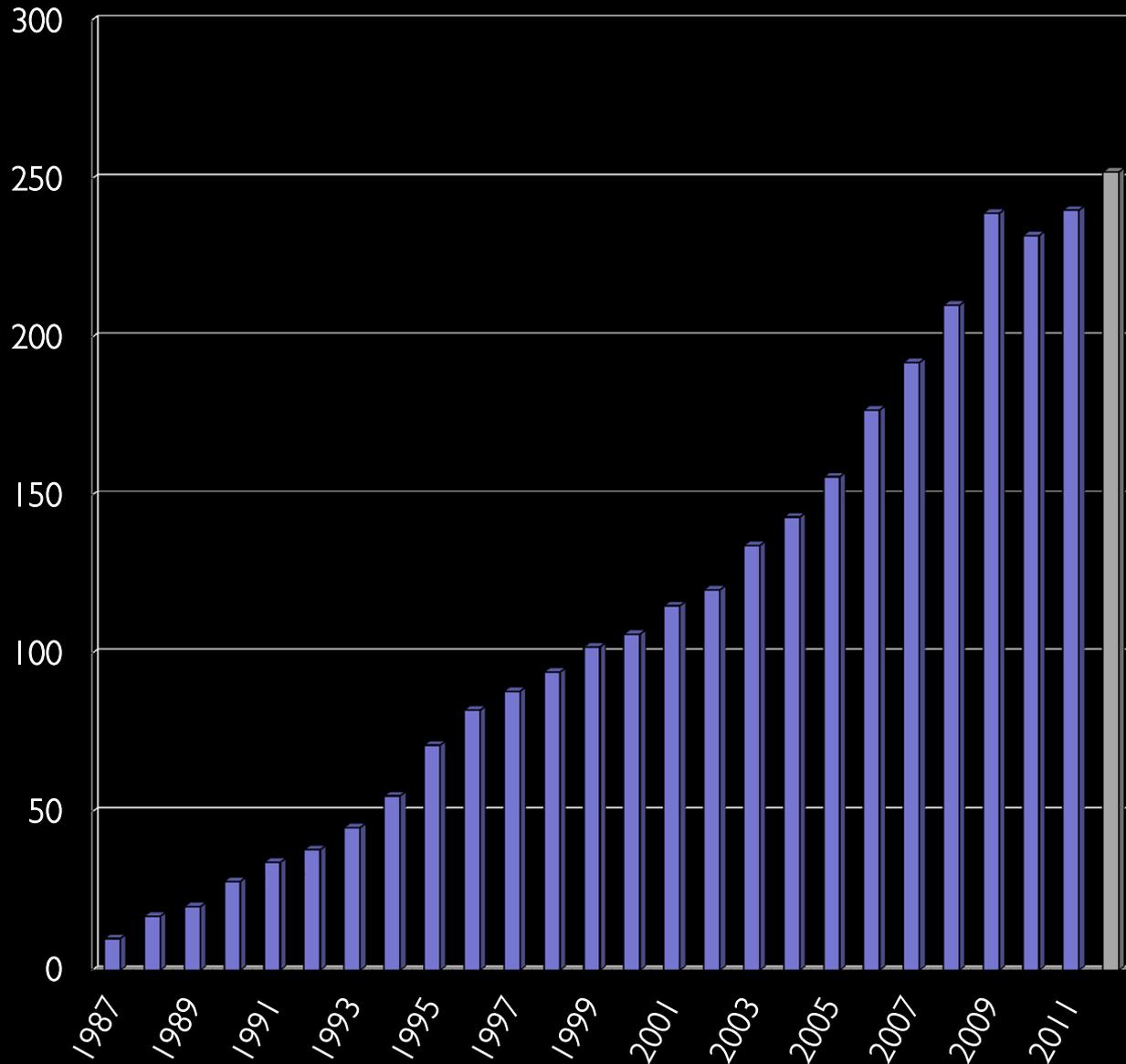
Store Expansion

# 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
- 2012 - 252 +12

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

Australia	10	6
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New Zealand	1	1
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Canada	4	4
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USA	0	0
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Total Opened	15	11
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Stores closed during year	3	3
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12 months ended

30/6/12

30/6/11

## Total Stores Operating

Australia	153	146
New Zealand	53	52
Canada	37	33
USA	9	9
Total	252	240



# Australasian Expansion

# NZ Expansion



Stores Operating	30/6/12	53
Planned for 12/13	1 store	54
Planned for 13/14	1 store	55
Planned for 14/15	1 store	56

# Australian Expansion



Stores operating	30/6/12	153
Planned for 12/13	10 stores	163
Planned for 13/14	10 stores	173
Planned for 14/15	7 stores	180

180 store locations have been identified as suitable locations



# North American Expansion

# Canadian Expansion



• Stores Operating	30/6/12	37
• Planned for 12/13	10 stores	47
• Planned for 13/14	10 stores	57
• Planned for 14/15	10 stores	67

100 store locations have been identified as suitable locations



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# Store Refurbishment Plans

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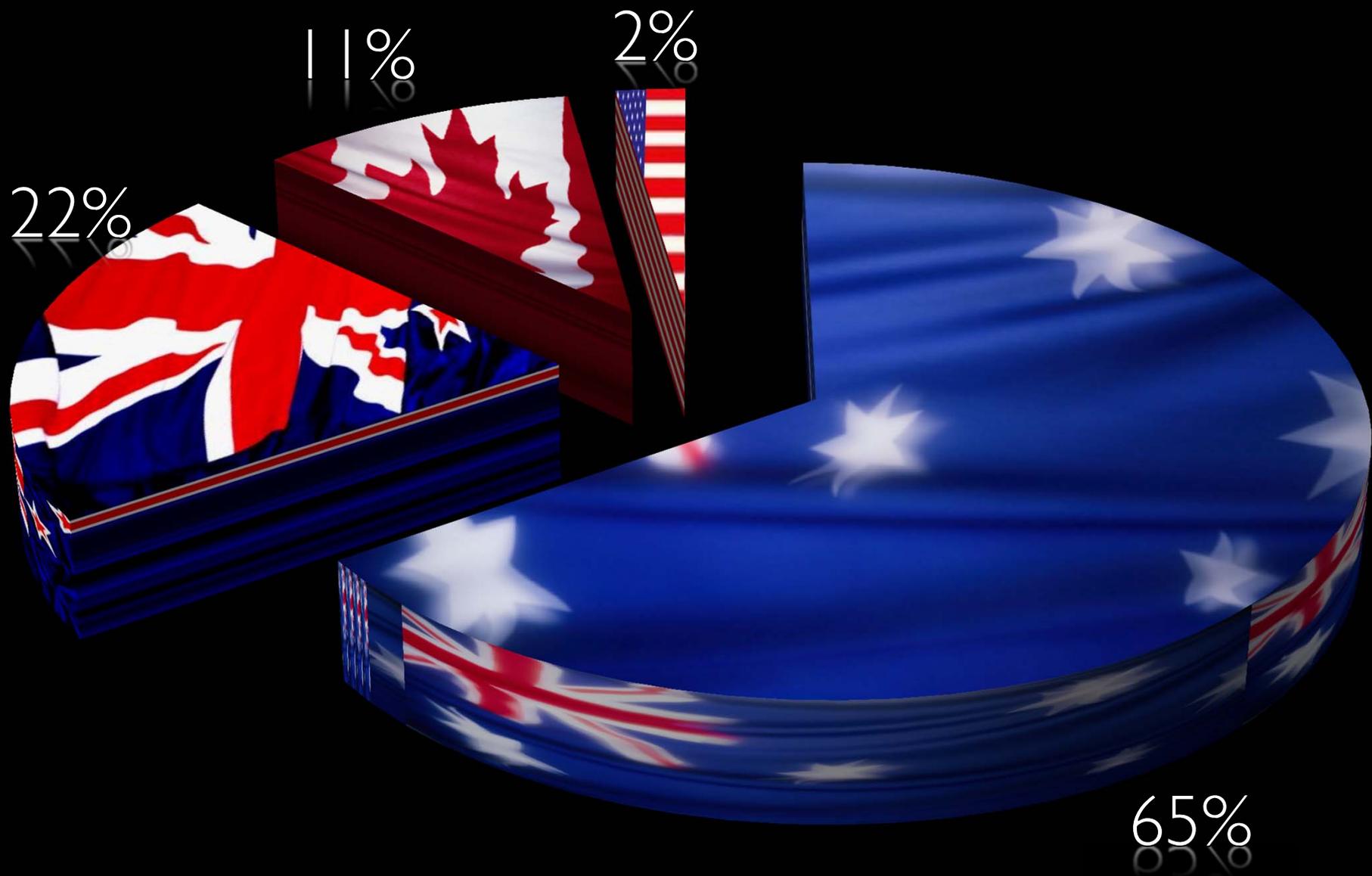
Segment Revenue

To 30 June 2012



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Captured moments





# Segment Results

Australasia



NZ \$000's

2012

2011

%

Revenue

333,174

327,146

1.8%

EBIT

47,509

50,454

(5.8%)

As a % of Revenue

14.3%

15.4%



NZ \$000's

2012

2011

%

Revenue

109,110

101,843

7.1%

EBIT

21,550

18,484

16.6%

As a % of Revenue

19.8%

18.1%



# Segment Results

North America



NZ \$000's

2012

2011

%

Revenue

55,124

48,228

14.3%

EBIT

713

(299)

338.5%

As a % of Revenue

1.3%

(0.6%)



NZ \$000's

2012

2011

%

Revenue

11,999

10,663

12.5%

EBIT

(3,296)

(4,500)

26.8%

As a % of Revenue

(27.5%)

(42.2%)



Sales 2011-2012

29162 5011-5017

# 12 Months Sales to 30 June 2012

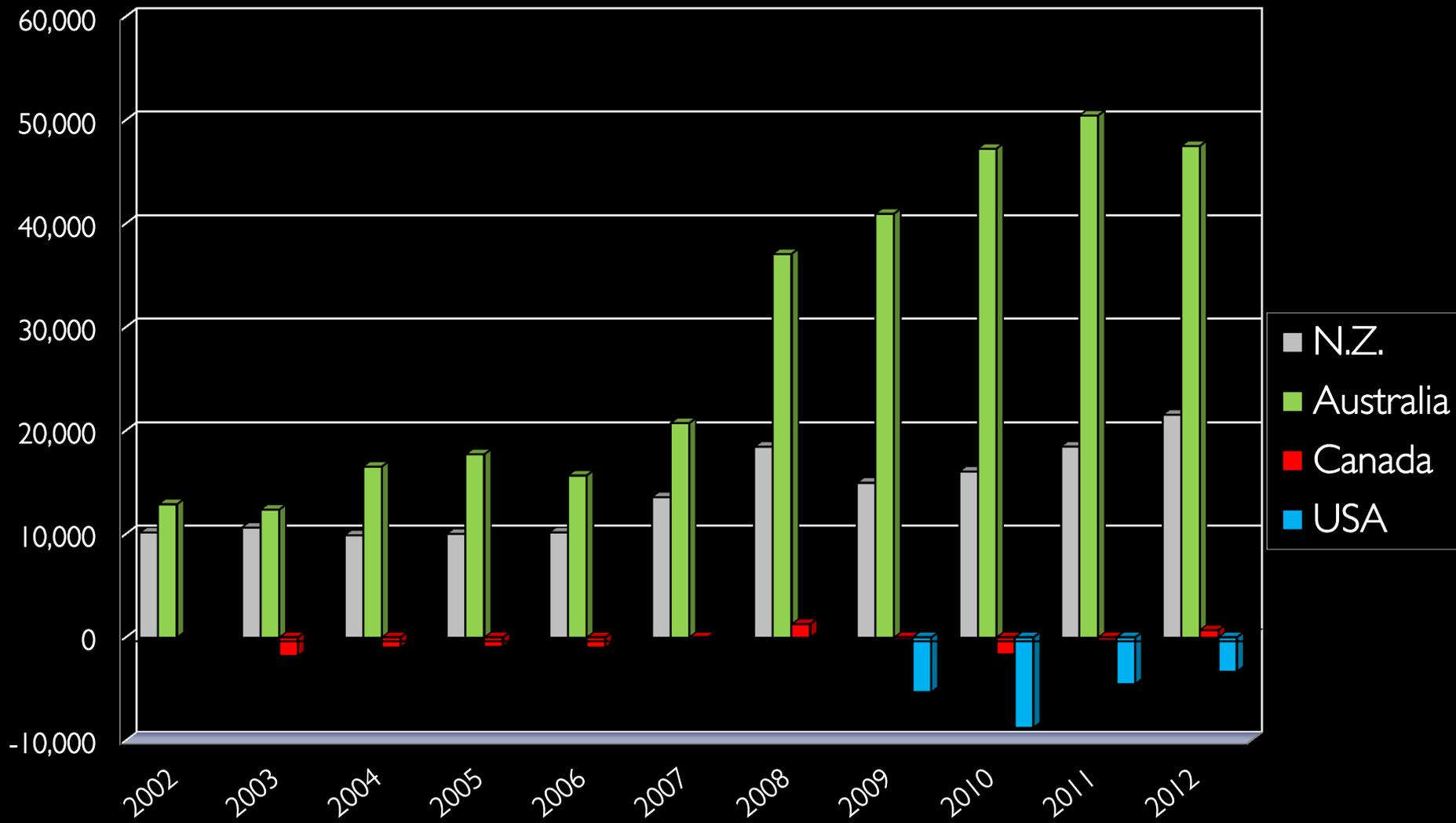
All figures in Local Currency

Country	2011	2012	+/-
AUS same Stores	\$245.859m	\$240.705m	(2.1%)
NZ same Stores	\$99.103m	\$106.378m	7.3%
CAN same stores	\$34.344m	\$36.320m	5.8%
US same stores	\$8.172m	\$9.576m	17.2%
AUS all stores	\$251.277m	\$259.505m	3.3%
NZ all stores	\$101.843m	\$109.209m	7.2%
CAN all stores	\$36.885m	\$44.319m	20.2%
US all stores	\$8.133m	\$9.598m	18.0%



EBIT Contributions

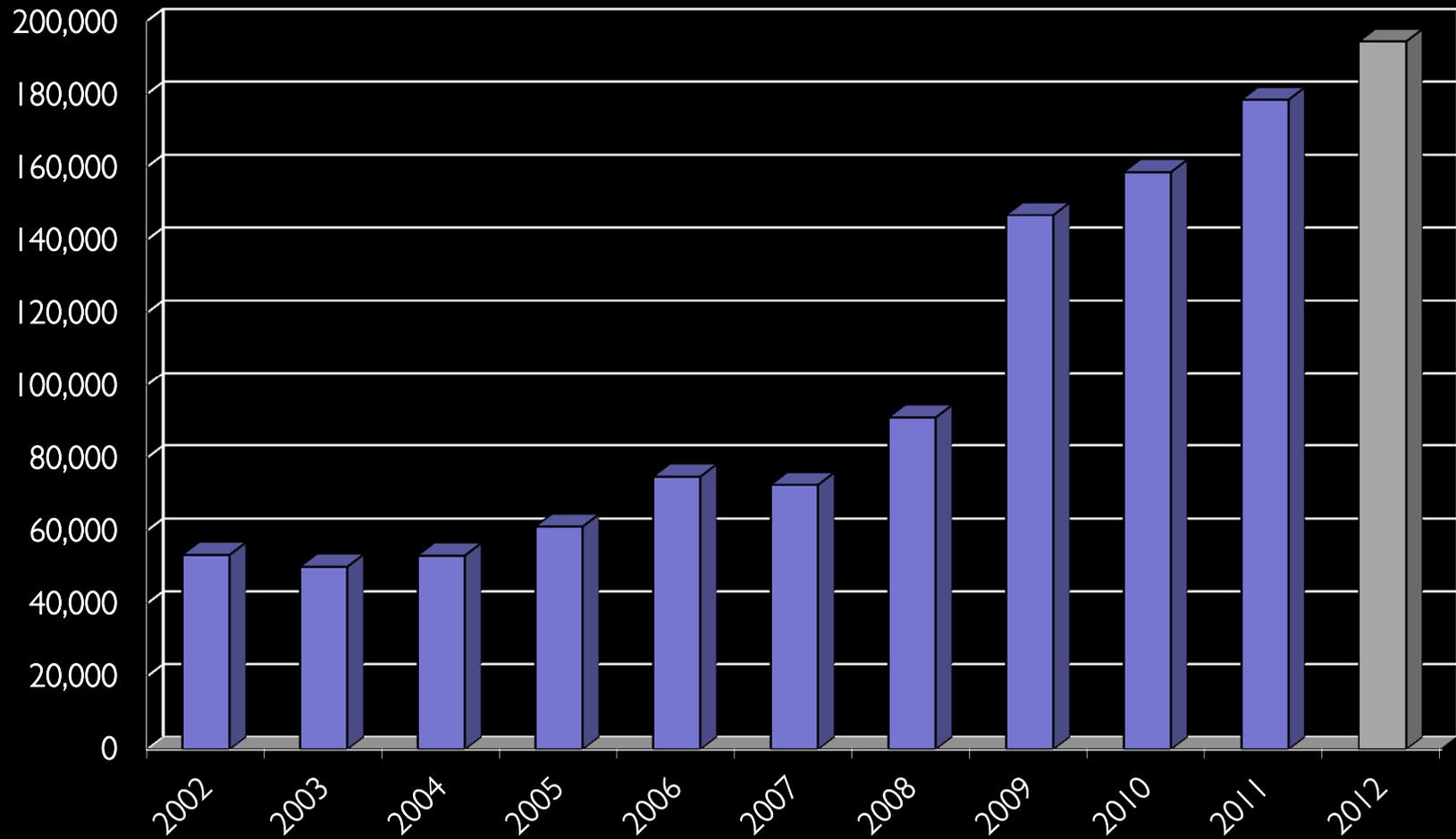
# EBIT Contributions NZ\$000's





# Shareholder Funds

# Shareholders' Funds NZ\$000's



NZ GAAP prior to 2004-05



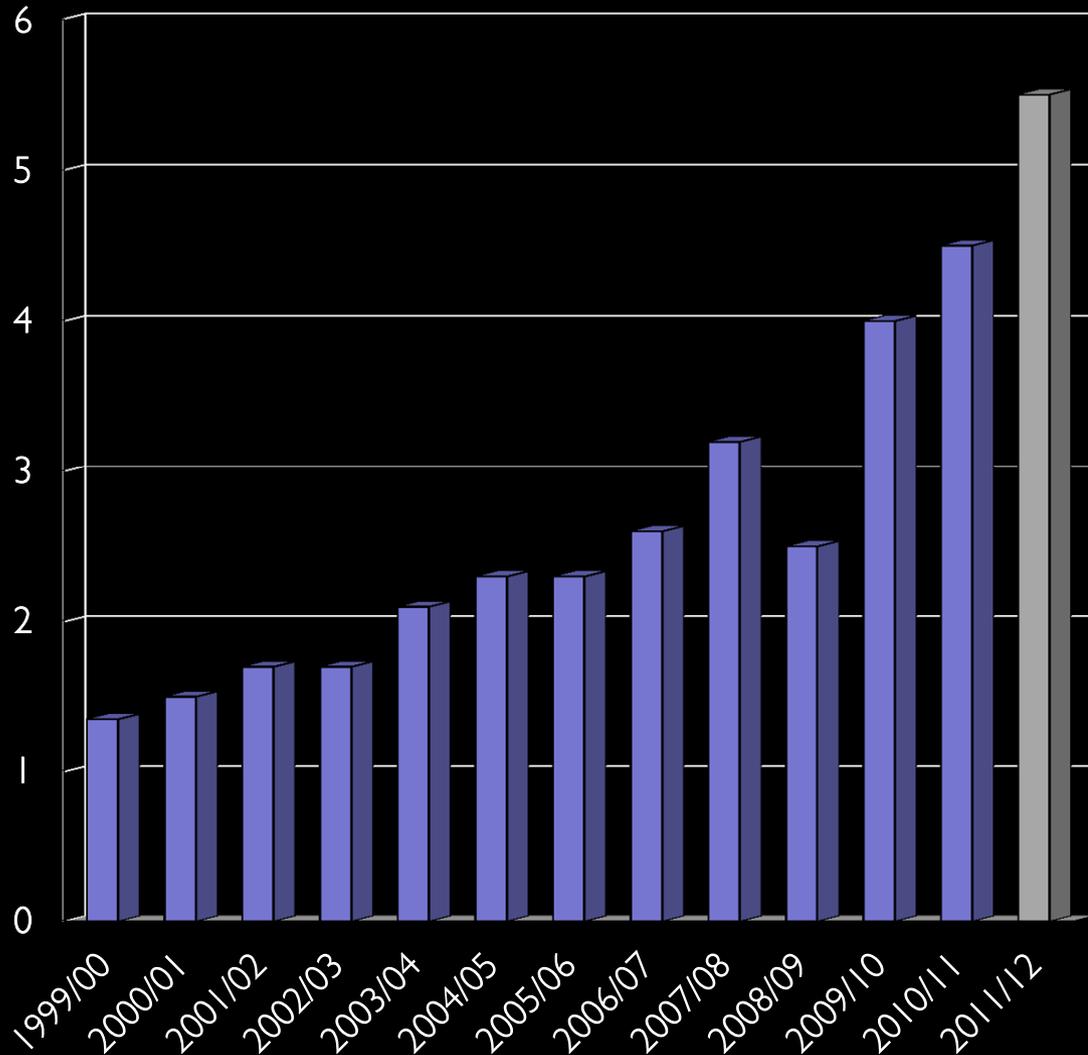
Dividends  
DIVIDENDS



# 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
- 2011/12 5.5c

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

# Priorities for 2012/13

- ◆ To open 20 new stores
- ◆ Focus on Australian segment and lifting performance
- ◆ Same store sales growth in all markets
- ◆ Margin improvement for the group
- ◆ New business opportunities to be evaluated





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