

# Statement of Segmented Results

for the half year ended 31 December 2006

	MHJ NEW ZEALAND			MHJ AUSTRALIA			MHJ CANADA			GROUP		
	2006 \$000	2005 \$000	+/-%	2006 \$000	2005 \$000	+/-%	2006 \$000	2005 \$000	+/-%	2006 \$000	2005 \$000	+/-%
<b>Operating revenue</b>												
Sales to customers	<b>54,256</b>	49,102	10.5%	<b>129,939</b>	107,003	21.4%	<b>14,396</b>	7,487	92.3%	<b>198,591</b>	163,592	21.
Unallocated revenue										<b>350</b>	110	218.
<b>Total segment revenue</b>										<b>\$198,941</b>	\$163,702	21.
<b>Segment results</b>												
Operating surplus	<b>8,116</b>	6,579	23.4%	<b>15,070</b>	11,911	26.5%	<b>502</b>	3	16633 %	<b>23,688</b>	18,493	28.
Unallocated revenue less unallocated expenses										<b>(1,264)</b>	(1,434)	-11.
Profit before income tax										<b>22,424</b>	17,059	31.
Income tax expense										<b>(7,093)</b>	(5,358)	32.
<b>Profit for the year</b>										<b>\$15,331</b>	\$11,701	31.
<b>Segment assets</b>												
Unallocated	<b>38,173</b>	33,085	15.4%	<b>97,465</b>	86,347	12.9%	<b>13,538</b>	8,931	51.6%	<b>149,176</b>	128,363	16.
Total										<b>13,132</b>	22,930	-42.
										<b>\$162,308</b>	\$151,293	7.
<b>Segment Liabilities</b>												
Unallocated	<b>8,217</b>	7,592	8.3%	<b>69,266</b>	69,675	-0.6%	<b>1,977</b>	1,363	45.0%	<b>79,460</b>	78,630	1.
Total										<b>2,835</b>	4,144	-31.
										<b>\$82,295</b>	\$82,774	-0.
<b>Segment acquisitions of property, plant &amp; equipment and intangibles</b>												
Unallocated	<b>676</b>	837	-19.2%	<b>3,172</b>	3,196	-0.8%	<b>905</b>	619	46.2%	<b>4,753</b>	4,652	2.
Total										<b>1,062</b>	726	46.
										<b>\$5,815</b>	\$5,378	8.
<b>Segment depreciation and amortisation expense</b>												
Unallocated	<b>788</b>	789	-0.1%	<b>1,825</b>	1,608	13.5%	<b>189</b>	97	94.8%	<b>2,802</b>	2,494	12.
Total										<b>832</b>	769	8.
										<b>\$3,634</b>	\$3,263	11.

- 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.