

**Statement of Segmented Results**  
for the year ended 30 June 2010

	MHJ NEW ZEALAND			MHJ AUSTRALIA			MHJ CANADA			MHJ USA			GROUP		
	2010 \$'000	2009 \$'000	+/-%	2010 \$'000	2009 \$'000	+/-%	2010 \$'000	2009 \$'000	+/-%	2010 \$'000	2009 \$'000	+/-%	2010 \$'000	2009 \$'000	+/-%
<b>Operating revenue</b>															
Sales to customers	95,811	90,393	6.0%	292,985	269,088	8.9%	39,398	36,438	8.1%	14,768	15,646	(5.6%)	442,962	411,565	7.6%
Unallocated revenue													369	434	(15.0%)
<b>Total operating revenue</b>													<b>\$ 443,331</b>	<b>\$ 411,999</b>	<b>7.6%</b>
<b>Segment results</b>															
Operating surplus / (loss)	16,204	14,954	8.4%	47,701	40,968	16.4%	(1,553)	(245)	(533.9%)	(8,713)	(5,292)	(64.6%)	53,639	50,385	6.5%
Unallocated revenue less unallocated expenses													(22,725)	(30,236)	24.8%
Profit before income tax													30,914	20,149	53.4%
Income tax (expense) / benefit													(4,405)	46,639	(109.4%)
<b>Profit for the year</b>													<b>\$ 26,509</b>	<b>\$ 66,788</b>	<b>(60.3%)</b>
<b>Segment assets</b>															
Unallocated	36,967	42,231	(12.5%)	93,035	102,401	(9.1%)	27,065	19,428	39.3%	9,573	12,095	(20.9%)	166,639	176,155	(5.4%)
Total													<b>\$ 258,843</b>	<b>\$ 245,801</b>	<b>5.3%</b>
<b>Segment Liabilities</b>															
Unallocated	5,684	5,045	12.7%	20,782	7,808	166.2%	2,556	381	570.9%	987	336	193.7%	30,008	13,570	121.1%
Total													<b>\$ 98,920</b>	<b>\$ 99,062</b>	<b>(0.1%)</b>
<b>Segment acquisitions of property, plant &amp; equipment and intangibles</b>															
Unallocated	1,900	1,988	(4.4%)	3,178	4,548	(30.1%)	2,147	557	285.4%	1,767	384	360.1%	8,992	7,477	20.3%
Total													<b>\$ 10,331</b>	<b>\$ 10,545</b>	<b>(2.0%)</b>
<b>Segment depreciation and amortisation expense</b>															
Unallocated	1,577	1,674	(5.8%)	5,015	5,153	(2.7%)	1,372	1,022	34.2%	135	52	159.6%	8,099	7,901	2.5%
Total													<b>\$ 10,080</b>	<b>\$ 9,833</b>	<b>2.5%</b>
<b>Impairment expense</b>															
Unallocated	-	153	(100.0%)	9	93	(90.3%)	157	-	100.0%	-	-	-	166	246	(32.5%)
Total													<b>\$ 166</b>	<b>\$ 246</b>	<b>(32.5%)</b>

Notes:

- 1 Michael Hill International Limited and its controlled entities operate predominantly in one business segment being the sale of jewellery and related services.
- 2 The company operates in 4 geographical segments; New Zealand, Australia, Canada and the United States of America and is managed on a global basis.
- 3 Inter segment pricing is at arm's length or market value.
- 4 Unallocated expenses include all expenses that do not relate directly to the relevant segment and include: manufacturing activities, warehouse and distribution, general corporate expenses, interest and company tax.