



Half Year Results to 31  
December 1999

Michael Hill International

# Highlights

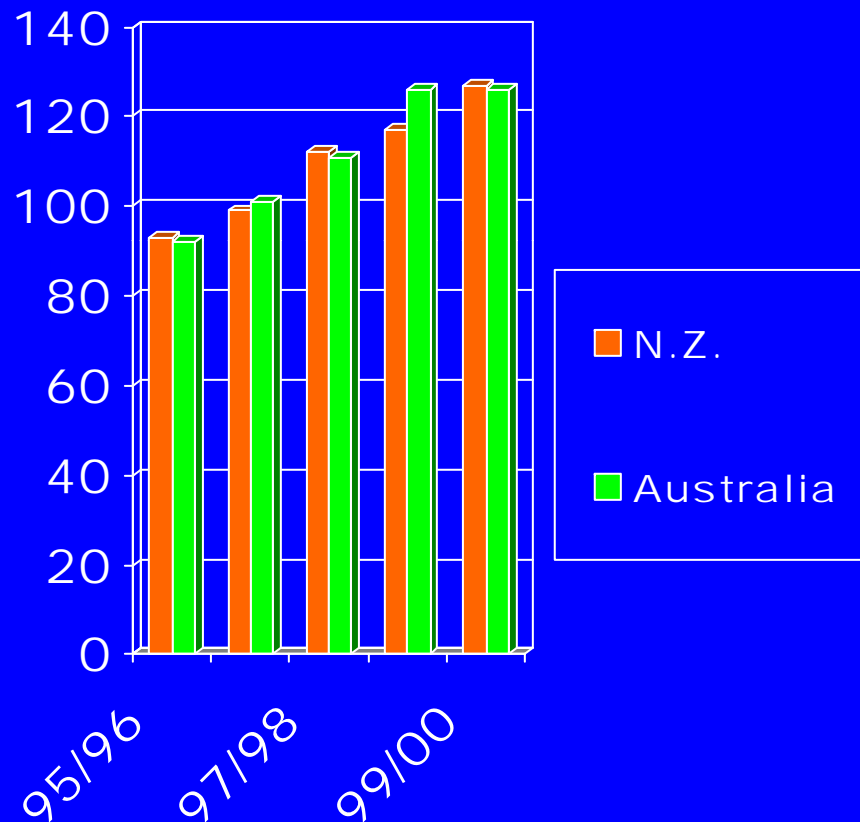
	NZ \$000's		
	<u>1998</u>	<u>1999</u>	<u>%</u>
Group Revenue	85,965	100,530	+ 16.9
Group Profit	6,523	7,494	+ 14.9
Earnings per share	16.9 c	19.4c	+14.9
No. of Stores 31 Dec			
Australia	62	67	
New Zealand	<u>38</u>	<u>40</u>	
Total Stores	100	107	



# More Highlights

- \* Same Store Sales up **4.6%** in New Zealand for the 6 months
- \* Same Store Sales up **6.3%** in Australia for the 6 months
- \* 4 New Stores opened in Australia
- \* 2 New Super stores opened in New Zealand

# Average Sale per Item



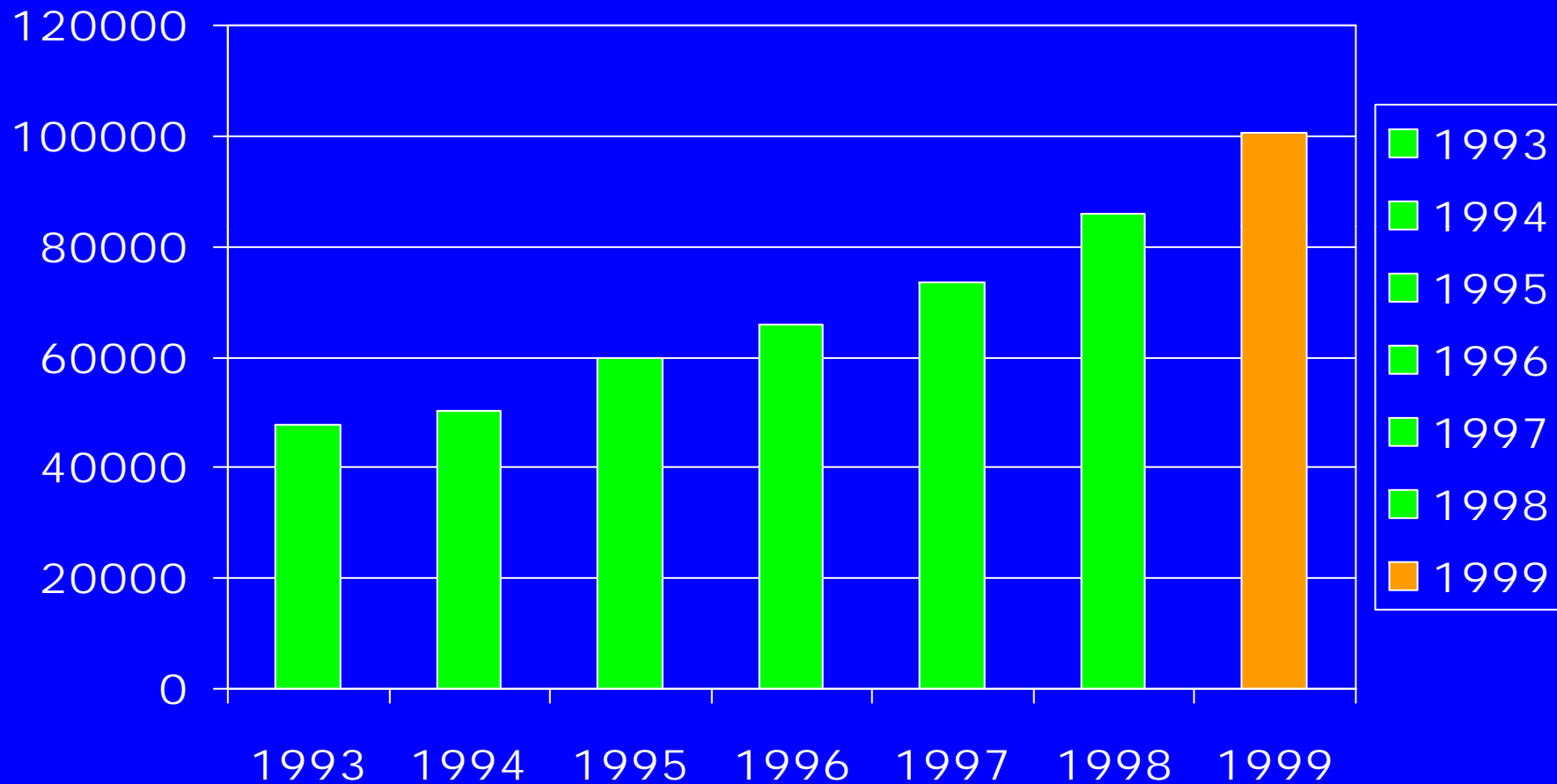
- Australia

- 1996/97 \$101
- 1997/98 \$111
- 1998/99 \$126
- 1999/00 \$126

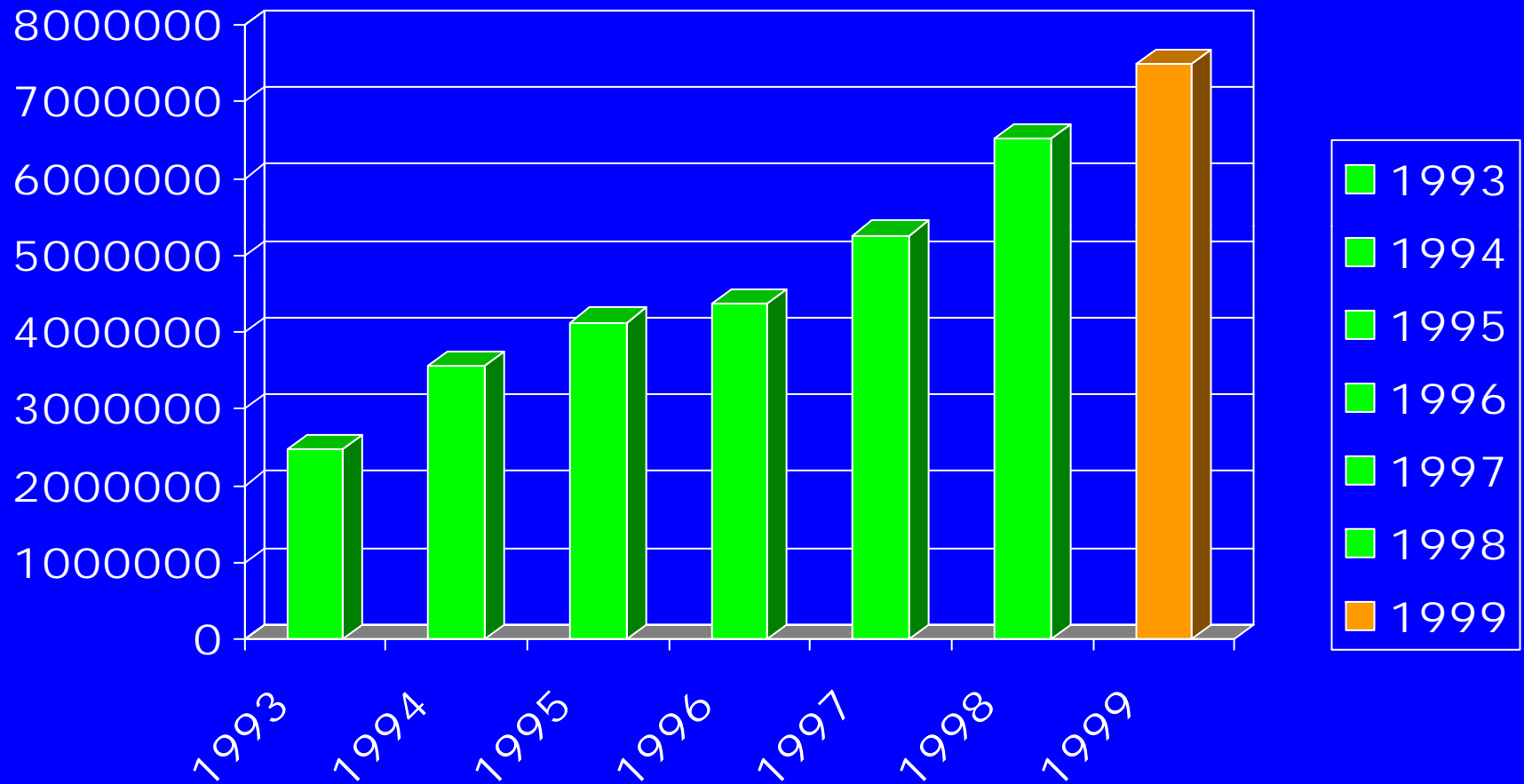
- New Zealand

- 1996/97 \$99
- 1997/98 \$112
- 1998/99 \$117
- 1999/00 \$127

# Group Revenue NZ 000's to 31 December



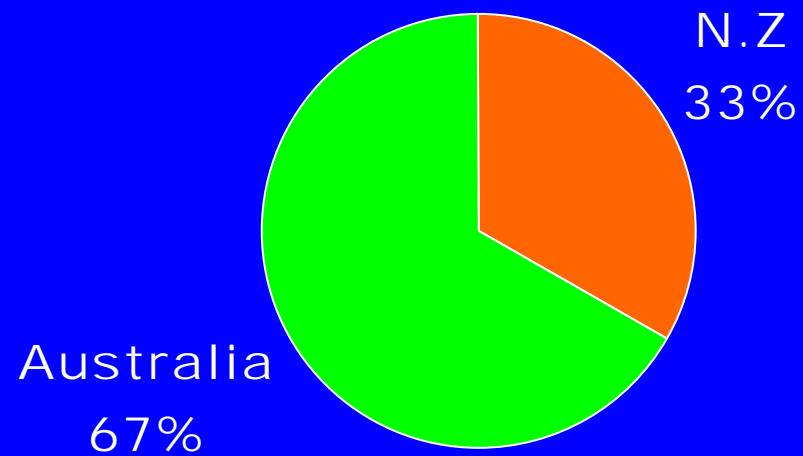
# Net Profit after tax to 31 December



# Divisional Results in NZ \$000's

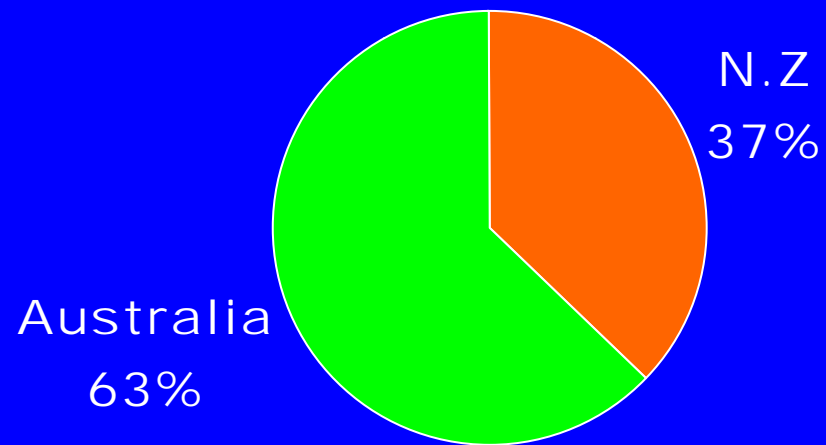
<u>Australia</u>	<u>1998</u>	<u>1999</u>	<u>% Inc</u>
Revenue	55,768	66,897	20%
EBIT	6,706	8,059	20.2%
As a % of Revenue	12.0%	12.0%	
<u>New Zealand</u>			
Revenue	30,196	33,633	11.4%
EBIT	4,438	4,766	7.4 %
As a % of Revenue	14.7%	14.2%	

# Divisional Revenue to 31 December 1999



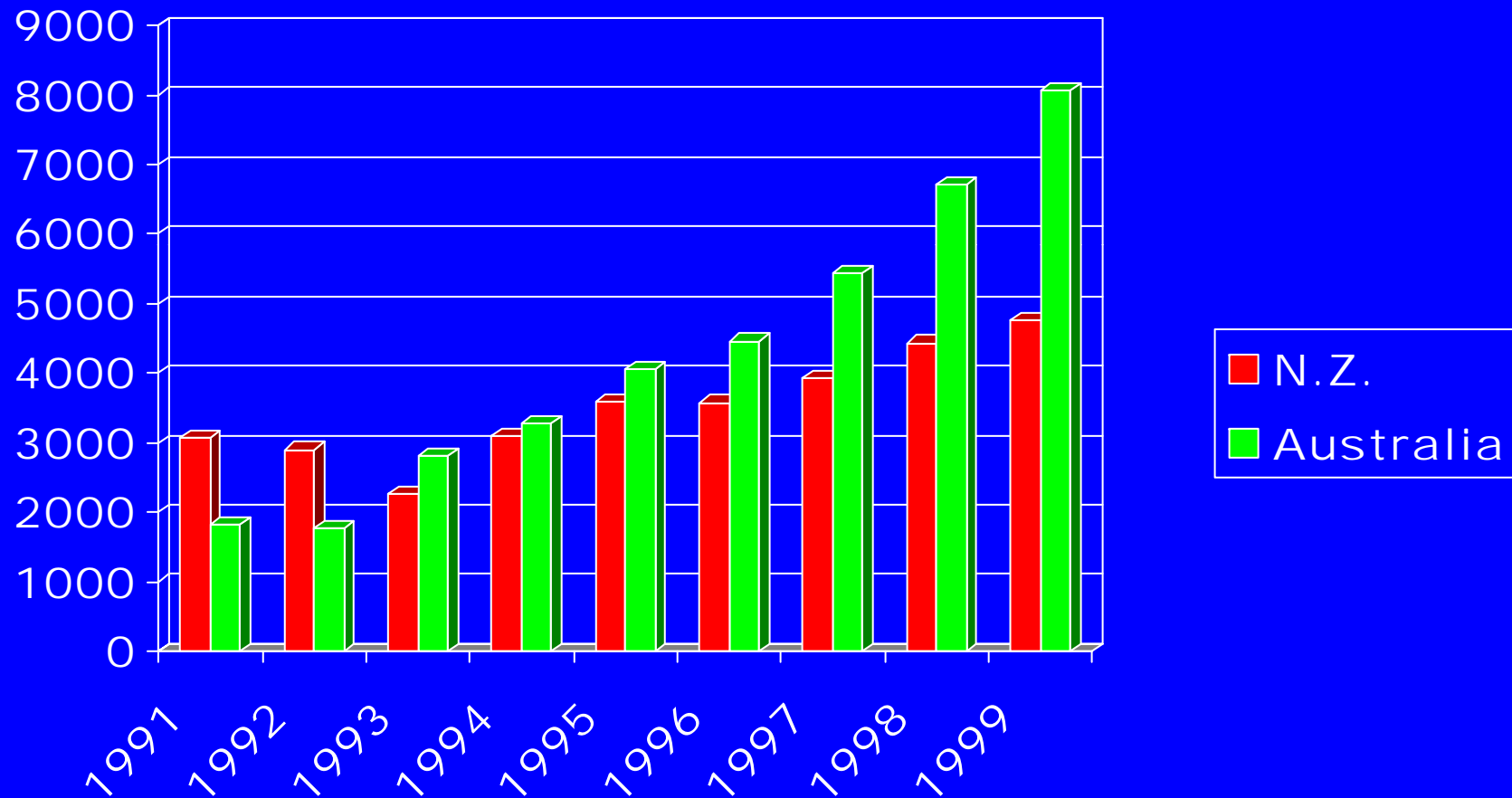


# Divisional EBIT to 31 December 1999

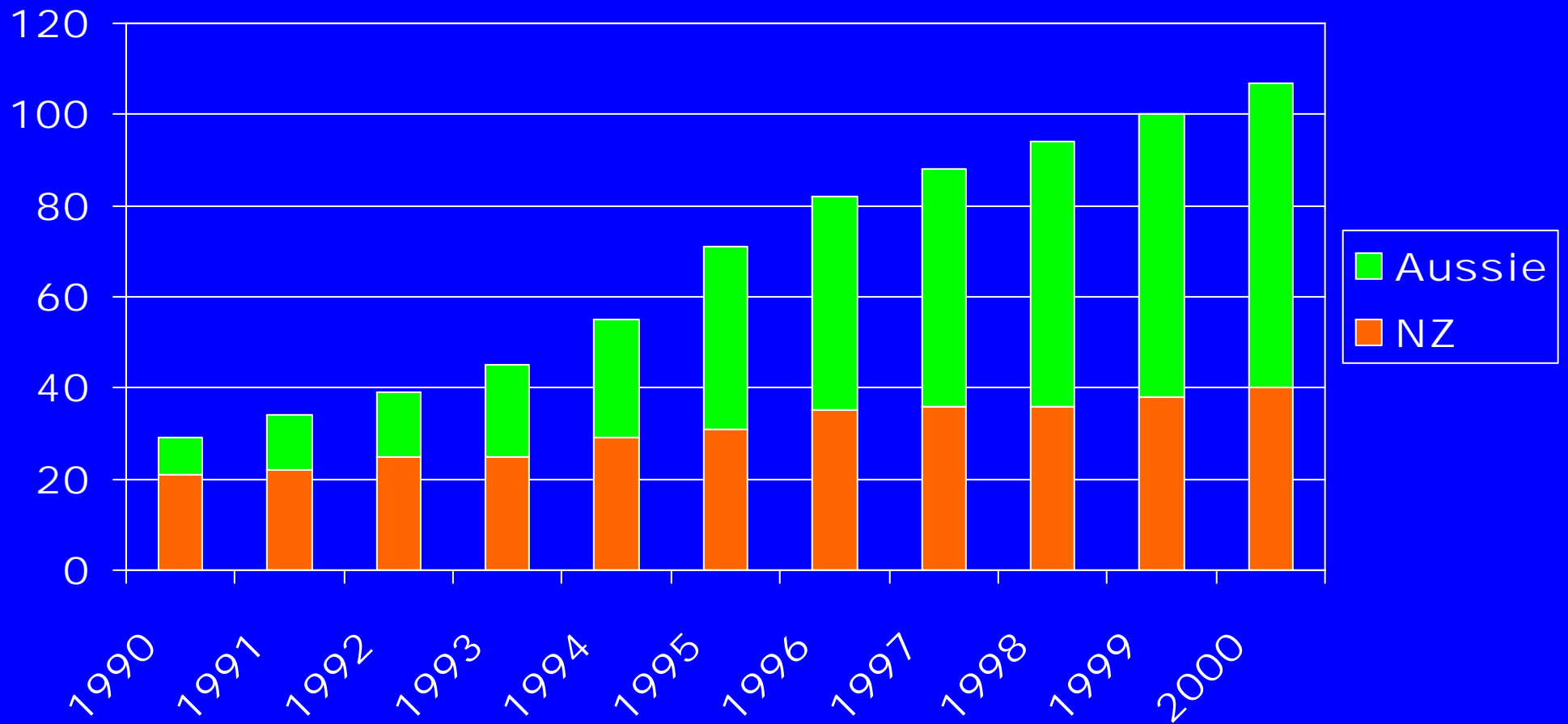


# EBIT CONTRIBUTIONS

## NZ\$000's



# Total Jewellery Stores



# Balance Sheet 31/12/99

	<u>Current Period</u>	<u>31/12/98</u>	<u>30/6/99</u>
<b>Equity</b>	<b>42,453</b>	<b>36,236</b>	<b>37,051</b>
<b>Non Current Liabilities</b>	<b>20,808</b>	<b>21,810</b>	<b>21,849</b>
<b>Current Liabilities</b>	<b><u>27,631</u></b>	<b><u>20,465</u></b>	<b><u>15,521</u></b>
	<b><u>90,892</u></b>	<b><u>78,511</u></b>	<b><u>74,421</u></b>
<b>Non Current Assets</b>	<b>16,762</b>	<b>13,934</b>	<b>15,339</b>
<b>Current Assets</b>			
<b>Inventories</b>	<b>50,405</b>	<b>48,223</b>	<b>51,497</b>
<b>Cash On Hand</b>	<b>16,631</b>	<b>9,234</b>	
<b>Other</b>	<b><u>7,094</u></b>	<b><u>7,120</u></b>	<b><u>7,585</u></b>
	<b><u>90,892</u></b>	<b><u>78,511</u></b>	<b><u>74,421</u></b>




# Balance Sheet Features

	<u>31/12/99</u>	<u>31/12/98</u>	<u>30/6/99</u>
Equity Ratio	46.7%	46.2%	49.8%
Current Ratio	2.7:1	3.8: 1	3.9:1

All long term debt held by Australian Company

Interest rate 6.0% on average

Interest Cover	14.9 times	14.2 times
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# Cash Flows

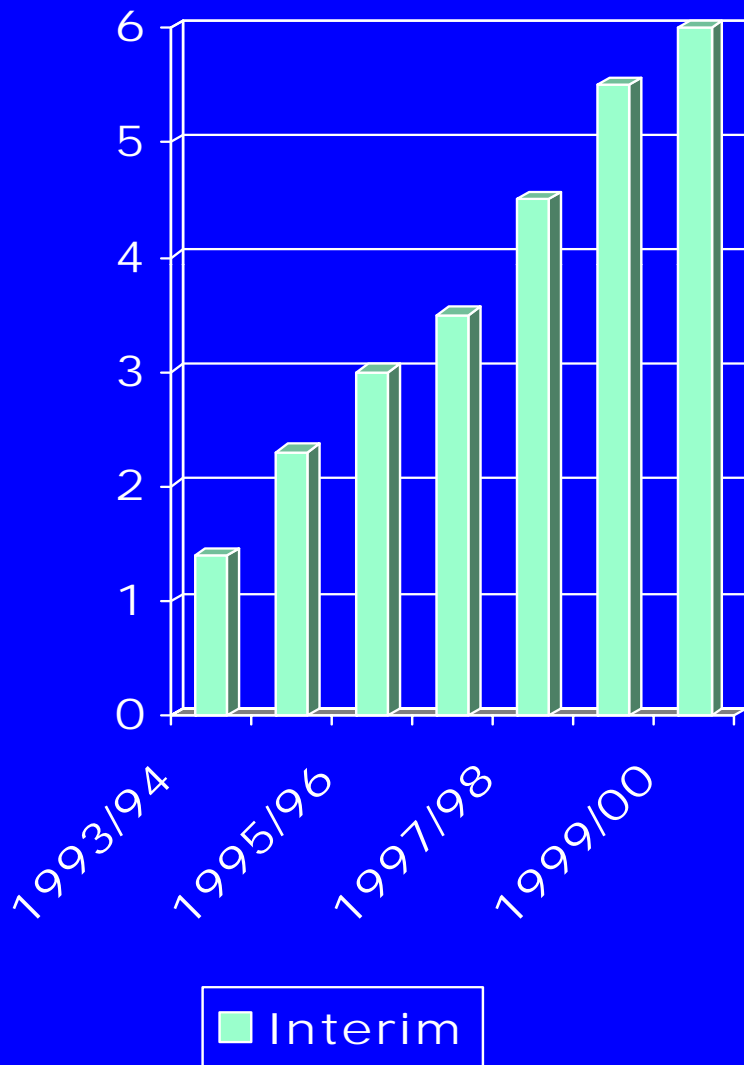
	<u>1998</u>	<u>1999</u>
<b>Net Operating Cash Flows</b>	<b>6,383,000</b>	<b>18,756,000</b>
Net Investing Cash Flows	(1,761,000)	(3,397,000)
Net Financing Cash Flows	2,484,000	2,057,000
Net Increase in Cash Held	7,106,000	17,416,000
Effect of exchange rate change	-25	-25
Add opening cash b/f	1,327,000	(789,000)
<b>Ending Cash carried forward</b>	<b>8,408,000</b>	<b>16,631,000</b>



# Interim Dividend

- 1998/99                      5.5 cents per share
- 1999/00                      6.0 cents per share
- 9% increase
- Payable 20th March 2000
- Dividend fully imputed

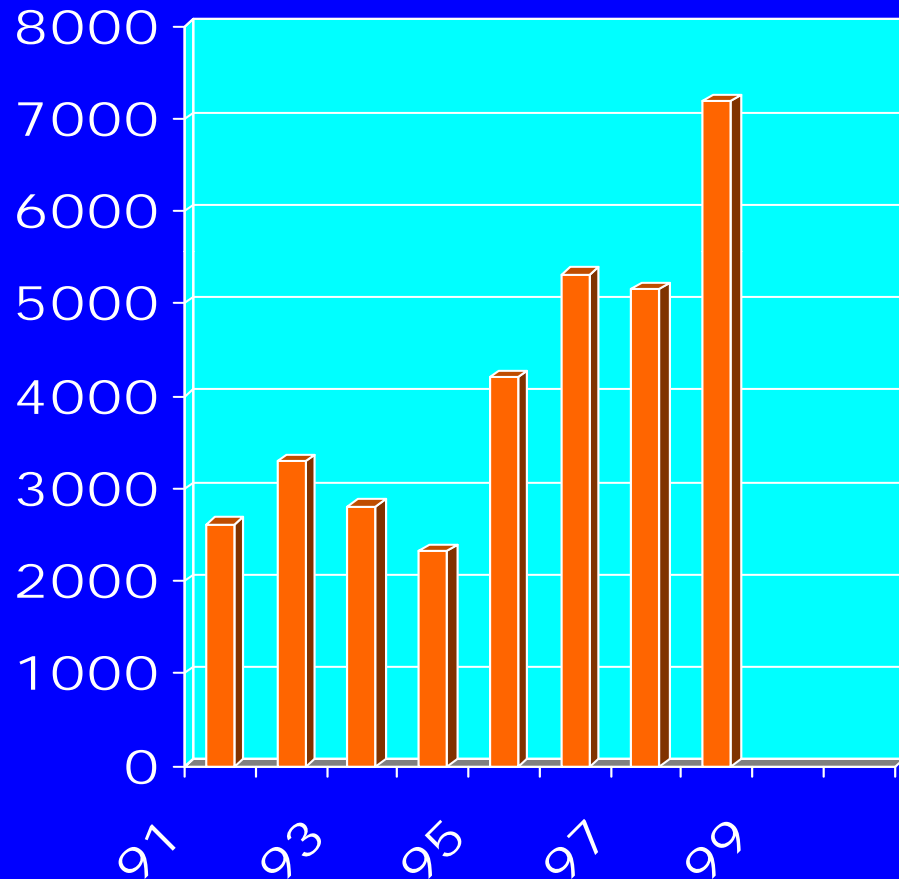
# Interim Dividend Growth



- 1993/94 1.4c
- 1994/95 2.3c
- 1995/96 3.0c
- 1996/97 3.5c
- 1997/98 4.5c
- 1998/99 5.5c
- 1999/00 6.0c



# Full Year Profit Growth



- 1990/91 \$2.615 m
- 1991/92 \$3.301 m
- 1992/93 \$2.807 m
- 1993/94 \$2.328 m
- 1994/95 \$4.211 m
- 1995/96 \$5,316 m
- 1996/97 \$5,154 m
- 1997/98 \$7,192 m
- 1998/99 \$8,400 m
- 1999/00



# Growth Philosophy

## **Controlled Profitable Growth**

Emphasis on improving existing stores



# NZ 1999/00 Growth

2 stores opened this year

Albany Superstore                      July 99

Mt Wellington Superstore              Dec 99

Westgate Superstore                      April 2000



# Australian 1999/00 Growth

Australia - 4 stores opened to 31/12/99 giving 67 stores trading

- Macarthur Square, Sydney
- Dubbo, New South Wales
- Warriewood, Sydney
- The Glen, Melbourne

Further Expansion for 99/00

Up to three further stores



# Australian Expansion

<u>Year</u>	<u>No. of Stores</u>	<u>Regions</u>
1999/00	7 - 10	QLD,NSW,VIC,WA
2000/01	6 - 10	QLD,NSW,VIC,WA,SA
2001/02	6 - 10	NSW,VIC,WA,SA,TAS
2002/03	6 - 10	Vic,WA,SA,TAS

# Australia - Potential Stores

<u>State</u>	<u>Current Stores</u>	<u>Potential as seen now</u>
Northern Territory	1	1
Queensland	27	28
New South Wales	28	35
ACT	3	3
Victoria	8	20
West Australia	0	10
South Australia	0	7
Tasmania	<u>0</u>	<u>2</u>
<b>TOTAL</b>	<u>67</u>	<u>106</u>



# Australian Growth

With planned shopping centre refurbishments, extensions and new shopping centre constructions, this potential number of sites may increase to 130 stores across Australia by the year 2005.



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**The End**