

michael hill™

I N T E R N A T I O N A L L T D

Full Year Results
to 30 June 2008



**Michael Hill
International**

Financial Highlights

	\$000's	\$000's	
<u>12 months ended</u>	<u>30/6/08</u>	<u>30/6/07</u>	<u>%</u>
Sales Revenue	376,664	348,757	8.0%
EBIT	42,277	35,087	20.5%
Profit after tax \$000's	25,232	21,017	20.1%



More Highlights

<u>12 months ended</u>	<u>30/6/08</u>	<u>30/6/07</u>	<u>%</u>
Return on Shareholders Funds	30.9%	28.5%	
Operating Cash Flow \$000's	7,763	41,114	
Net Debt \$000's	64,234	41,089	56.3%
Earnings per share	6.61c	5.39 c	22.6%

More Highlights

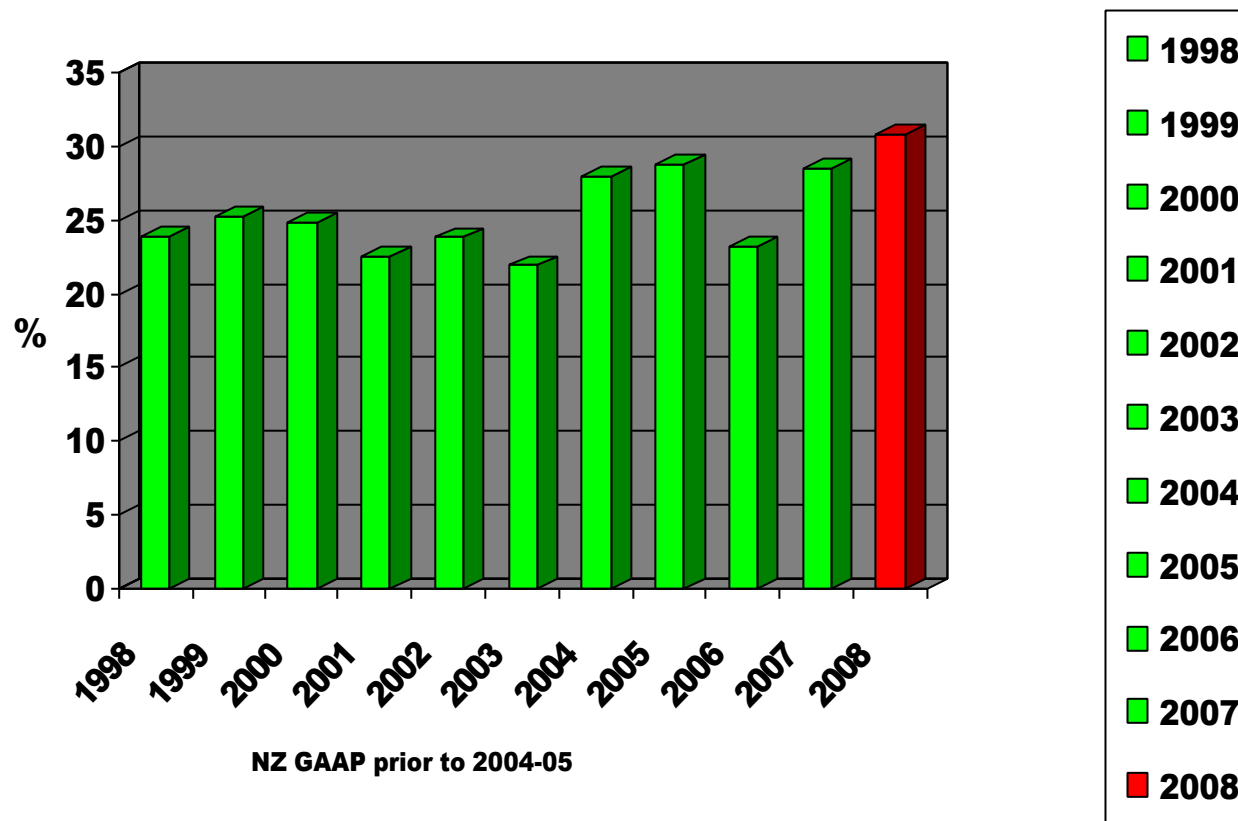
<u>12 months ended</u>	<u>30/6/08</u>	<u>30/6/07</u>
New Stores Opened		
Australia	13	12
New Zealand	2	2
Canada	6	4
Total Opened	21	18
Stores closed during year	3	3
Total Stores Operating		
Australia	136	126
New Zealand	52	50
Canada	22	16
Total	210	192

Same Store Sales Increases

<u>12 Months ended</u>	<u>30/6/08</u>	<u>30/6/07</u>
Australia (A\$)	0.1%	3.4%
New Zealand	(2.5)%	4.6%
Canada (C\$)	(1.8)%	2.9%

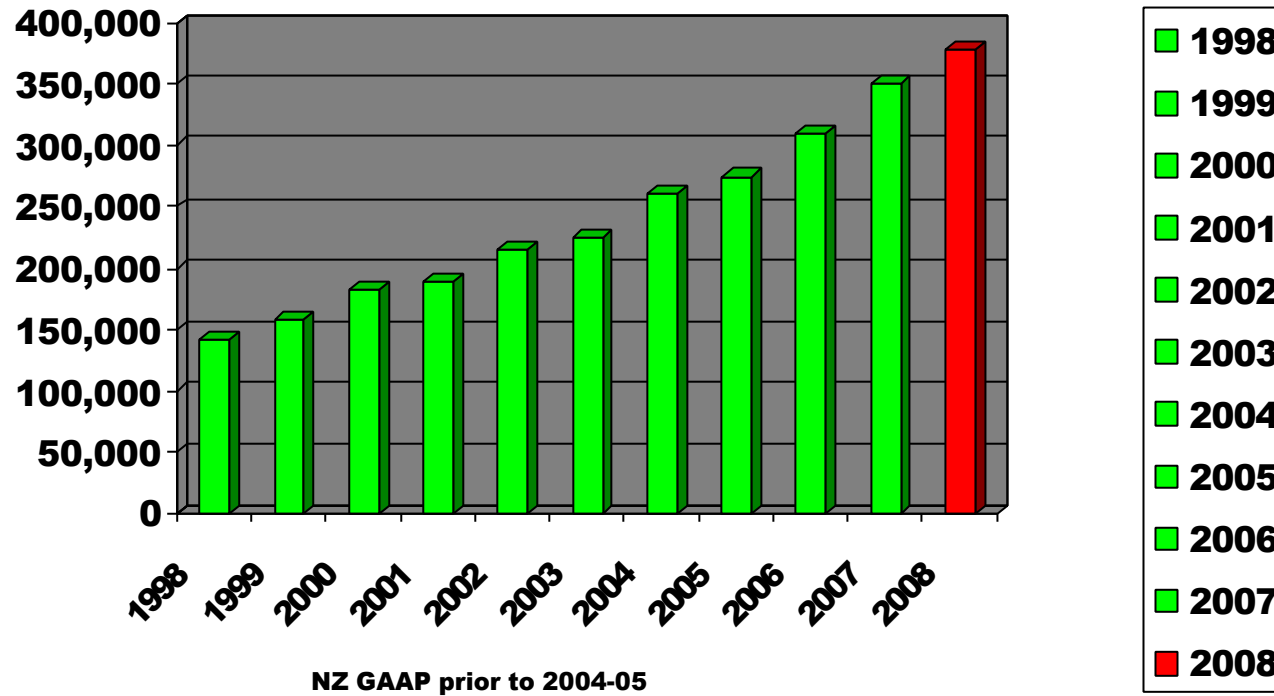


Return on Average Shareholders Funds

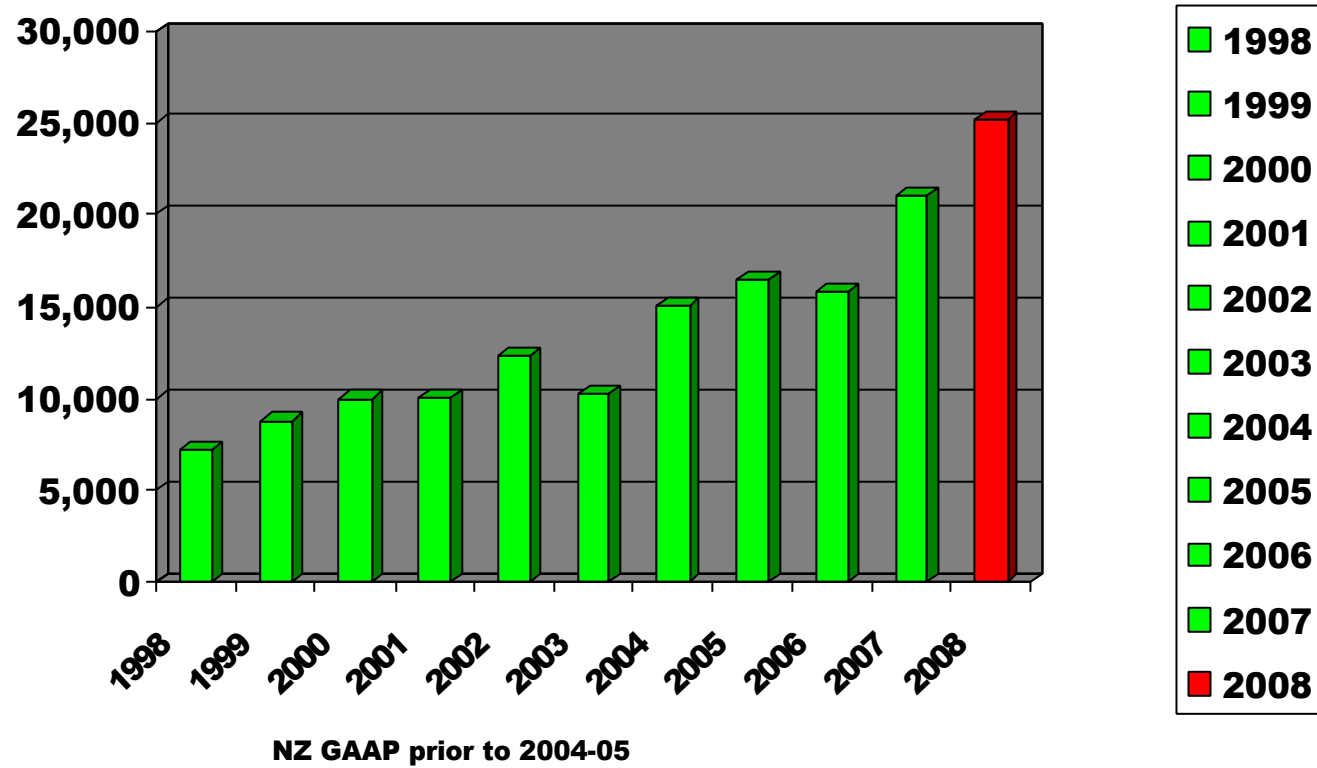


Group Revenue to 30 June

NZ\$000's



Net Profit after tax to 30 June (before abnormal items) \$000's



Segment Results in NZ \$000's

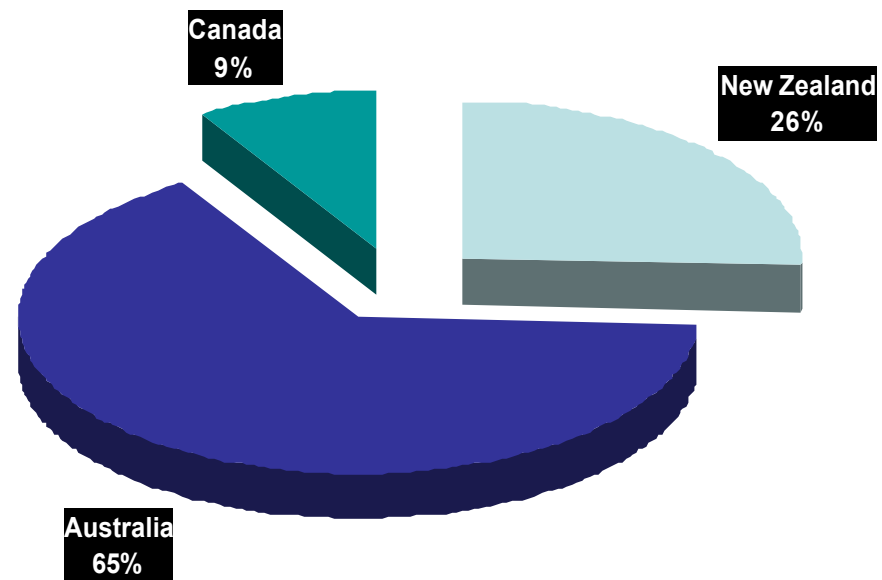
<u>Australia</u>	<u>2008</u>	<u>2007</u>	<u>%</u>
Revenue	247,136	225,815	9.4%
EBIT	24,397	20,723	17.7%
As a % of Revenue	9.9%	9.2%	
 <u>New Zealand</u>			
Revenue	97,019	97,439	(0.4)%
EBIT	14,697	13,570	8.3%
As a % of Revenue	15.1%	13.9%	

Segment Results in NZ \$000's

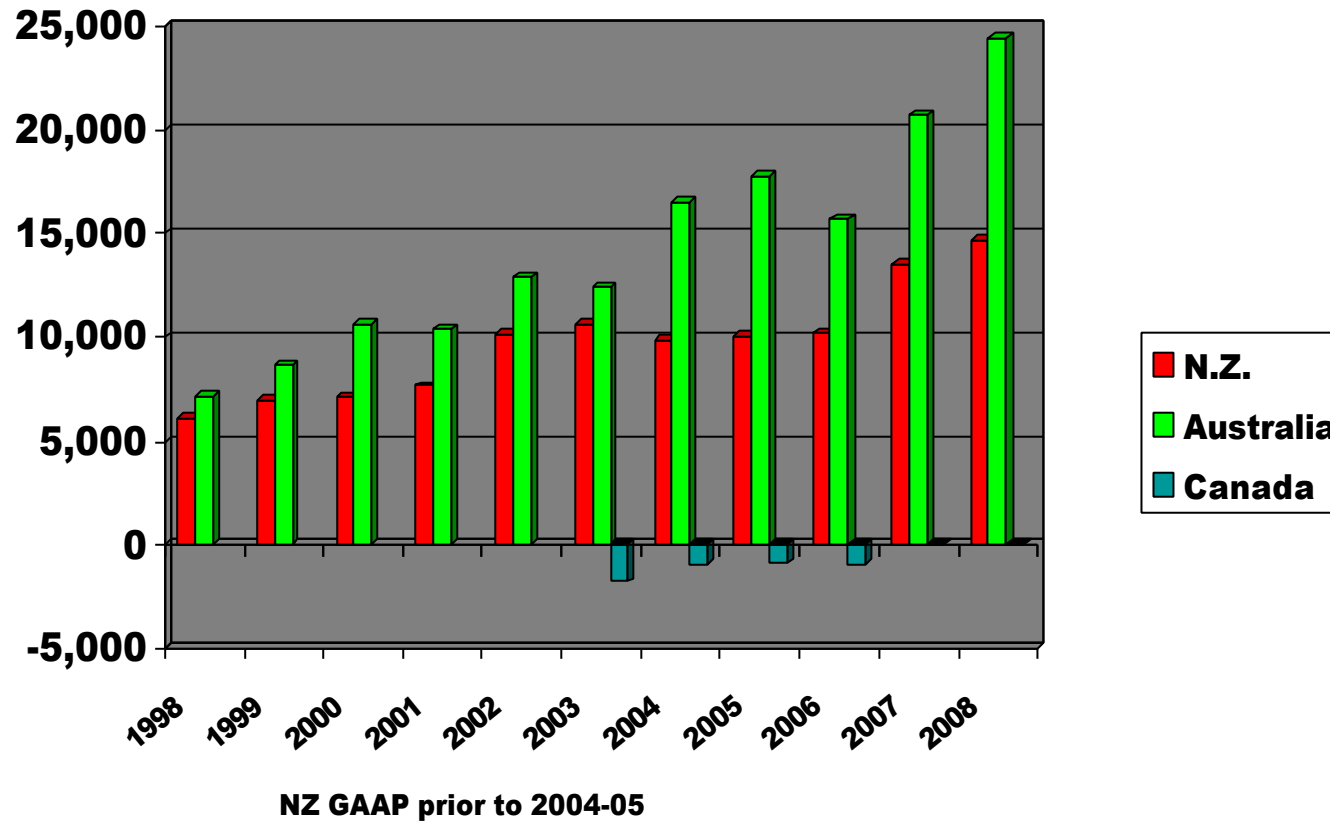
<u>Canada</u>	<u>2008</u>	<u>2007</u>	<u>%</u>
Revenue	32,131	24,994	28.6%
EBIT	(44)	(5)	



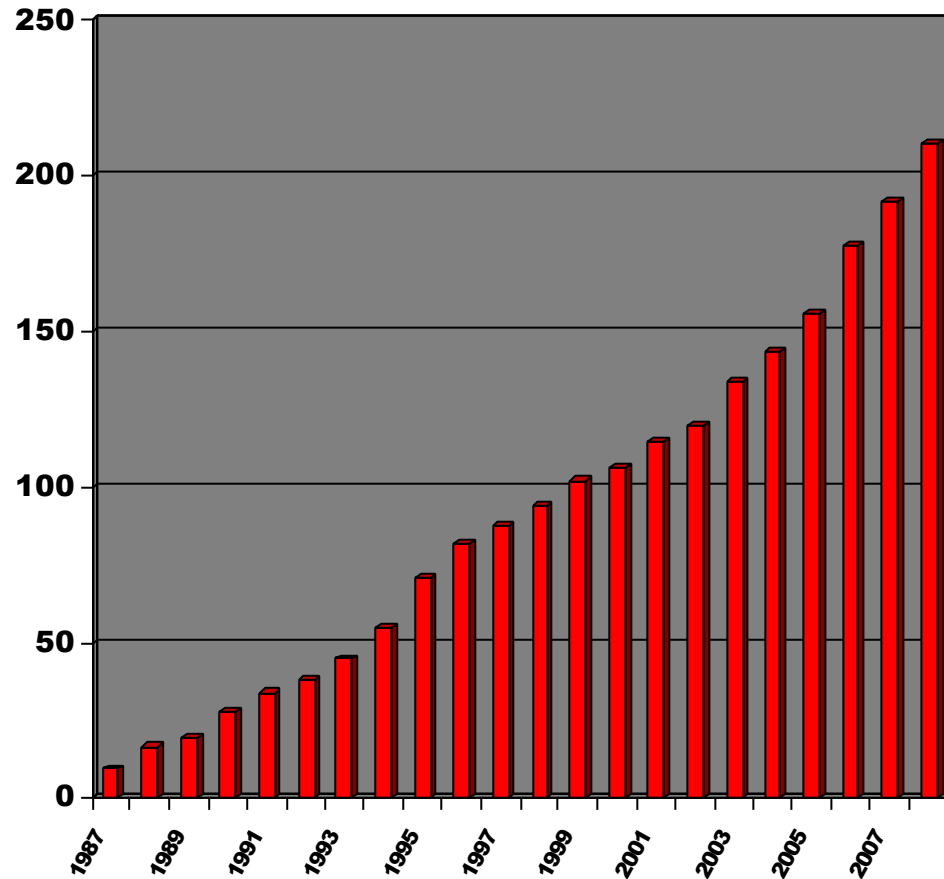
Divisional Revenue to 30 June 2008



EBIT CONTRIBUTIONS NZ\$000's



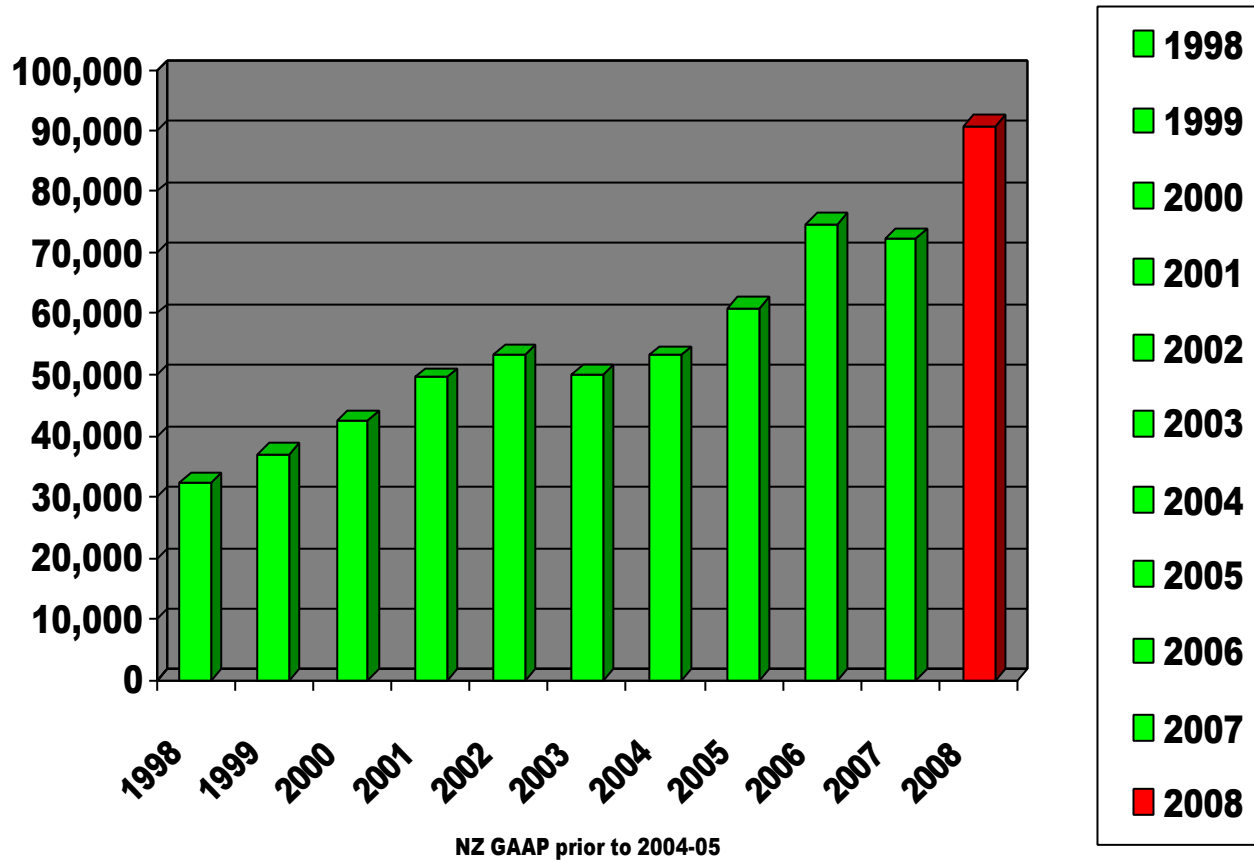
Total Jewellery Stores



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

Shareholders' Funds NZ\$000's



Cash Flows

<u>Year Ending 30th June</u>	<u>2008</u>	<u>2007</u>
	\$000's	\$000's
Net Operating Cash Flows	7,763	41,114
Net Investing Cash Flows	(11,638)	(10,861)
Net Financing Cash Flows	4,610	(25,413)

Final Dividend

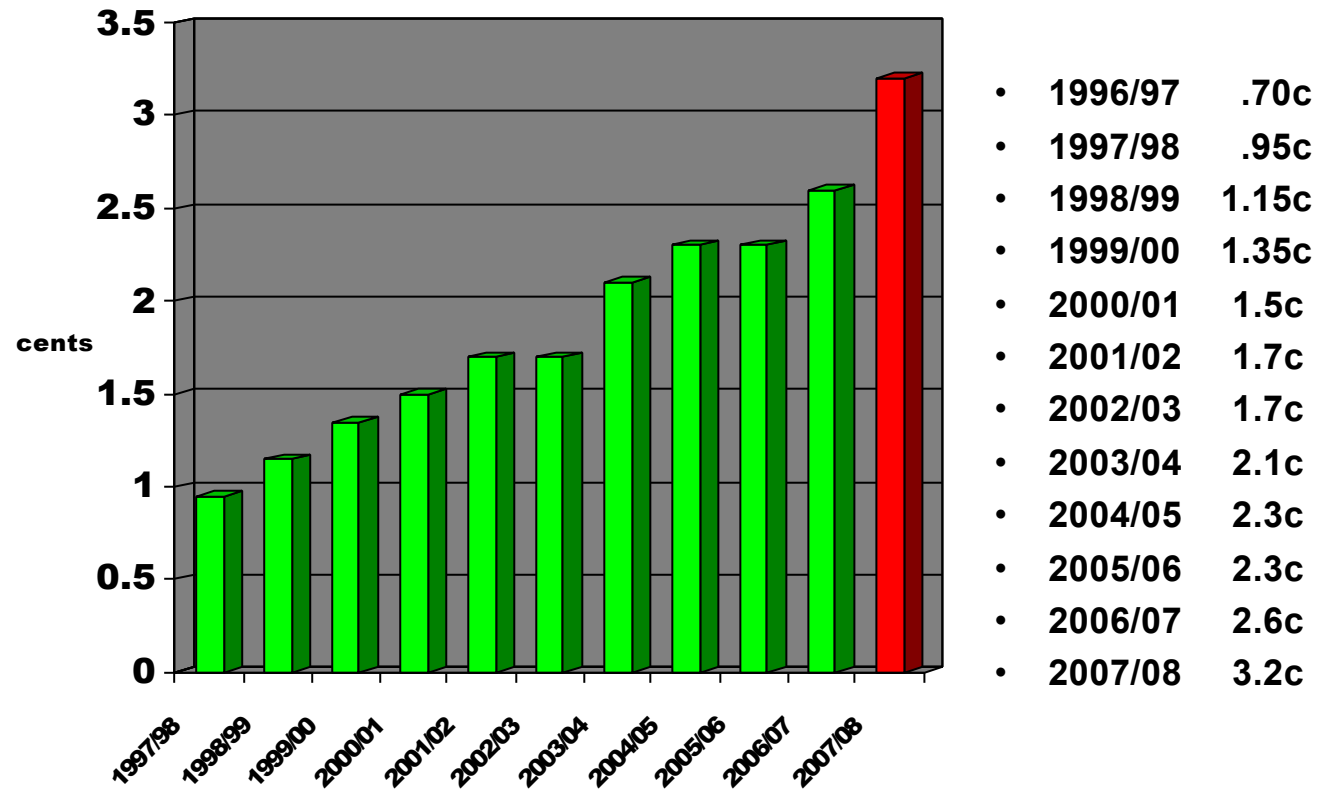
- 1998/99 6.0 cents per share
- 1999/00 7.5 cents per share
- 2000/01 8.5 cents per share
- 2001/02 10.0 cents per share
- 2002/03 10.0 cents per share
- 2003/04 13.0 cents per share
- 2004/05 14.0 cents per share
- 2005/06 14.0 cents per share
- 2006/07 16.0 cents per share
- 2007/08 2.0 cents per share (note 1:10 split in 2007)
- To be paid 13th October 2008
- Dividend fully imputed for NZ shareholders
- Franking credits for Australian shareholders

Full Year Dividend per share

- 1996/97 7.0 cents
- 1997/98 9.5 cents +35.7%
- 1998/99 11.5 cents +21.1%
- 1999/00 13.5 cents +17.4%
- 2000/01 15.0 cents +18.5%
- 2001/02 17.0 cents +13.3%
- 2002/03 17.0 cents plus 20 cent special div Oct 02
- 2003/04 21.0 cents +23.5%
- 2004/05 23.0 cents +9.5%
- 2005/06 23.0 cents no change
- 2006/07 26.0 cents +13.0%
- 2007/08 3.2 cents +23.1%

Note the 1:10 share split in Nov 2007 adjusted for comparative purposes

Full Year Dividend Growth (Not including Special Dividend)



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

Growth Philosophy



Controlled Profitable Growth
with an emphasis on improving
existing operations

Australian 2007/08 Growth

13 stores opened in year to 30/6/08 and 3 closed giving
136 stores trading at year end

- Winston Hills, NSW
- Rouse Hill, NSW
- Lake Macquarie, NSW
- Fig Tree Plaza, NSW
- Dapto Mall, NSW
- Forest Hill, Victoria
- Plenty Valley, Victoria
- Calamvale, QLD
- Garden City, QLD
- West Lakes, SA
- Gateways, WA
- Armadale, WA
- Joondalup, WA

Australian Expansion

Stores operating	30/6/08	136
Planned	08/09	12
Planned	09/10	12
Planned	10/11	12

180 store locations have been identified as suitable locations

New Zealand 2007/08 Growth

2 stores opened in year to 30/6/08
52 stores trading at year end

- Trentham, Upper Hutt
- South City, Christchurch



NZ Expansion

Stores Operating	30/6/08	52
Planned	08/09	1
Planned	09/10	1
Planned	10/11	1

Canadian 2007/08 Growth

6 stores opened during year giving 22 stores operating at 30/6/08

- West Edmonton Mall, Alberta
- Fairview Mall, Ontario
- Burlington Mall, Ontario
- Pen Centre, Ontario
- White Oaks, Ontario
- Masonville, Ontario

Canadian Expansion

- Stores Operating 30/6/08 22
- Planned 08/09 12
- Planned 09/10 12
- Planned 10/11 12



thank you . . .

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