

BRISCOE GROUP LIMITED**Results for announcement to the market**

Reporting Period	Half-Year 28 January 2013 to 28 July 2013
Previous Reporting Period	Half-Year 30 January 2012 to 29 July 2012

	Amount (000s)	Percentage change
Sales revenue from ordinary activities	\$217,367	+6.2%
Profit from ordinary activities after tax attributable to shareholders	\$14,924	+12.4%
Net Profit attributable to shareholders.	\$14,924	+12.4%

Interim Dividend	Gross amount per share	Imputed amount per share
	4.50 cents	4.50 cents

Audit	The abridged financial statements attached to this report have not been audited.
-------	--

Comments:	Refer to the section "Half Year Review" for commentary.
-----------	---

Half Year Review

Highlights for the 26 week period ended 28 July 2013:

- Total sales \$217.37 million, +6.17%
- Same store sales growth, +3.67%
- Gross profit \$85.16 million, +4.82%
- Gross profit margin 39.18% vs 39.68% last year
- EBIT \$19.90 million, +13.91%
- NPAT \$14.92 million, +12.38%
- Interim Dividend 4.50 cents per share, +12.50%

The directors of Briscoe Group Limited announce a 12.38% increase in net profit after tax (NPAT) to \$14.92 million for the half-year ended 28 July 2013. This compares to last year's \$13.28 million half year result. The half-year results are unaudited.

The directors have resolved to pay an interim dividend of 4.50 cents per share (cps). This compares to last year's interim dividend of 4.00 cps and represents 65% of the Group's NPAT. Books will close to determine entitlements at 5pm on 20 September 2013 and payment will be made on 30 September 2013.

The earnings were generated on sales of \$217.37 million compared to the \$204.73 million generated for the same period last year. On a same store basis the Group's sales for the half year ended 28 July 2013 were 3.67% ahead of the same period last year.

Earnings before interest and tax (EBIT) of \$19.90 million were generated for the six months to 28 July 2013. This compares to \$17.47 million for the same period last year and represents an increase of 13.91%.

Gross margin percentage decreased from 39.68% to 39.18% reflecting an extraordinarily challenging beginning to the year as a result of the very late start to the winter category sales.

The reported gross margin and prior year comparisons also reflect a reclassification of costs that the Group has applied to the financial statements for this half year and which will be applied for future periods. As a result of the Group's regular review of reporting practices and policies, costs relating to the distribution of product from the central warehouse facility to stores have been reclassified from store expenses and administration expenses to cost of goods sold. The reclassification will bring the cost allocations in line with the allocations adopted by other New Zealand retailers making the costs more directly comparable.

Reported gross profit margin for the current half year is 39.18% as compared to 40.40% before the reclassification. The prior year comparative has been adjusted from 40.73% to 39.68%. Correspondingly, expenses have been decreased by a total of \$2.66 million for this half year as a result of the reclassification and by \$2.14 million for the prior year comparative. As the reclassification represents a transfer of cost only, there is no impact to Group EBIT or NPAT.

In the period under review, homeware sales increased 6.23% from \$137.24 million to \$145.78 million and sporting goods sales increased 6.06% from \$67.50 million to \$71.59 million.

On a same store basis, homeware sales increased by 3.16%, while sporting goods sales increased by 4.72%.

Rod Duke, Group Managing Director, said: “We are very pleased with this first half result. Gross profit margin suffered throughout the first quarter but recovered well during the second quarter to finish slightly down on last year’s rate, however, continued strong sales growth has delivered a bottom line profit 12.4% ahead of the reported profit for the first half of last year.

“During the first half of this year the number of stores remained unchanged at 80, but in October we will open a new Briscoes Homeware store in Kerikeri. This will become our most northern store which we know is eagerly anticipated by people in that region.

“We have completed counter realignment projects in four Briscoes Homeware and eight Rebel Sport stores since the beginning of the year and all of these stores have benefited from the improved service counter configuration as well as the extra selling space for additional merchandise.

“During the second half of the year we will significantly change the layouts in the Dunedin and Invercargill Rebel Sport stores as well as undertake further counter realignments for Rebel Sport stores in Porirua and New Plymouth.

“The Group’s online business continues to grow and during the first half of the year we have focused on improving product availability as well as the time from fulfillment to customer. We are encouraged by the growth in online and will continue to focus resource to ensure development of this key area of our business.”

Inventory levels at 28 July 2013 were \$69.16 million, \$4.56 million higher than the \$64.60 million at the same time last year reflecting the additional stores opened since July last year, increased stock holdings to satisfy the significant increases experienced in online sales, increased levels of product directly imported by the Group and also the build-up of stock for the new Briscoe Homeware store to open in Kerikeri.

Rod Duke, said: “We look forward to a continued improvement in customer confidence and spend levels during the second half of this year and are cautiously optimistic about the Group’s performance on the back of improving economic indicators.”

Thursday 5 September 2013

BRISCOE GROUP LIMITED CONSOLIDATED INCOME STATEMENT for the 26 week period ended 28 July 2013 (unaudited)
--

	Period ended 28 July 2013 \$000	Period ended 29 July 2012 \$000
Sales revenue	217,367	204,733
Cost of goods sold	<u>(132,205)</u>	<u>(123,490)</u>
Gross profit	85,162	81,243
Other operating income	17	23
Store expenses	(40,641)	(38,593)
Administration expenses	<u>(24,637)</u>	<u>(25,202)</u>
Operating profit	19,901	17,471
Net finance income	<u>926</u>	<u>1,022</u>
Profit before income tax	20,827	18,493
Income tax expense	<u>(5,903)</u>	<u>(5,213)</u>
Net profit attributable to shareholders	14,924	13,280

BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 26 week period ended 28 July 2013 (unaudited)

	Period ended 28 July 2013 \$000	Period ended 29 July 2012 \$000
Net Profit attributable to shareholders	14,924	13,280
Other comprehensive income:		
Fair value loss recycled to income statement	713	362
Fair value gain/(loss) taken to the cashflow hedge reserve	882	291
Deferred tax on fair value hedge taken to income statement	(200)	(101)
Deferred tax on fair value transfers to cashflow hedge reserve	(247)	(82)
Total other comprehensive income	1,148	470
Total comprehensive income attributable to shareholders	16,072	13,750

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 26 week period ended 28 July 2013 (unaudited)

	Share Capital	Cashflow Hedge Reserve	Share Options Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000
Balance at 29 January 2012	41,732	(403)	660	99,223	141,212
Net profit attributable to shareholders	-	-	-	13,280	13,280
Other comprehensive income:					
Fair value (gain)/loss recycled to income statement	-	362	-	-	362
Fair value gain/(loss) taken to the cashflow hedge reserve	-	291	-	-	291
Deferred tax on fair value hedge taken to income statement	-	(101)	-	-	(101)
Deferred tax on fair value transfers to cashflow hedge reserve	-	(82)	-	-	(82)
Total comprehensive income for the period	-	470	-	13,280	13,750
Dividends paid	-	-	-	(35,258)	(35,258)
Share options charged to income statement	-	-	213	-	213
Share options exercised	576	-	(102)	-	474
Transfer for share options lapsed and forfeited	-	-	-	-	-
Balance at 29 July 2012	42,308	67	771	77,245	120,391
Net profit attributable to shareholders	-	-	-	17,188	17,188
Other comprehensive income:					
Fair value loss/(gain) recycled to income statement	-	1,060	-	-	1,060
Fair value (loss)/gain taken to the cashflow hedge reserve	-	(2,035)	-	-	(2,035)
Deferred tax on fair value hedge taken to income statement	-	(297)	-	-	(297)
Deferred tax on fair value transfers to cashflow hedge reserve	-	570	-	-	570
Total comprehensive income for the period	-	(702)	-	17,188	16,486
Dividends paid	-	-	-	(8,548)	(8,548)
Share options charged to income statement	-	-	245	-	245
Share options exercised	9	-	(2)	-	7
Transfer for share options lapsed and forfeited	-	-	(92)	92	-
Balance at 27 January 2013	42,317	(635)	922	85,977	128,581
Net profit attributable to shareholders	-	-	-	14,924	14,924
Other comprehensive income:					
Fair value (gain)/loss recycled to income statement	-	713	-	-	713
Fair value gain/(loss) taken to the cashflow hedge reserve	-	882	-	-	882
Deferred tax on fair value hedge taken to income statement	-	(200)	-	-	(200)
Deferred tax on fair value transfers to cashflow hedge reserve	-	(247)	-	-	(247)
Total comprehensive income for the period	-	1,148	-	14,924	16,072
Dividends paid	-	-	-	(15,029)	(15,029)
Share options charged to income statement	-	-	256	-	256
Share options exercised	1,518	-	(419)	-	1,099
Transfer for share options lapsed and forfeited	-	-	-	-	-
Balance at 28 July 2013	43,835	513	759	85,872	130,979

BRISCOE GROUP LIMITED
CONSOLIDATED BALANCE SHEET
as at 28 July 2013 (unaudited)

	28 July 2013 \$000	29 July 2012 \$000
EQUITY		
Share capital	43,835	42,308
Share options reserve	759	771
Cashflow hedge reserve	513	67
Retained earnings	85,872	77,245
Total equity	130,979	120,391
LIABILITIES		
Non-current liabilities		
Employee benefits	592	574
Total non-current liabilities	592	574
Current liabilities		
Trade and other payables	46,489	45,065
Provisions	56	44
Employee benefits	6,206	5,933
Taxation payable	846	468
Derivative financial instruments	176	273
Total current liabilities	53,773	51,783
TOTAL LIABILITIES	54,365	52,357
TOTAL EQUITY AND LIABILITIES	185,344	172,748
ASSETS		
Non-current assets		
Property, plant and equipment	43,622	44,724
Intangible assets	1,165	1,179
Deferred tax	1,133	804
Total non-current assets	45,920	46,707
Current assets		
Cash and cash equivalents	67,365	59,126
Trade and other receivables	2,024	1,932
Inventories	69,159	64,601
Derivative financial instruments	876	382
Total current assets	139,424	126,041
TOTAL ASSETS	185,344	172,748
 Net Tangible Assets per Security (cents)	 60.42	 55.79

BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS for the 26 week period ended 28 July 2013 (unaudited)

	Period ended 28 July 2013 \$000	Year ended 29 July 2012 \$000
OPERATING ACTIVITIES		
Receipts from customers	217,307	204,666
Rent received	16	23
Interest received	1,007	1,155
Operating Cash Inflows	218,330	205,844
Payments to suppliers & employees	(197,471)	(189,911)
Interest paid	(8)	(2)
Net GST paid	(6,197)	(6,705)
Income tax paid	(8,961)	(7,963)
Operating Cash Outflows	(212,637)	(204,581)
Net cash (outflows) from operating activities	5,693	1,263
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	4	2
Investing Cash Inflows	4	2
Purchase of property, plant and equipment	(1,847)	(2,497)
Purchase of intangible assets	(211)	(207)
Investing Cash Outflows	(2,058)	(2,704)
Net cash (outflows) from investing activities	(2,054)	(2,702)
FINANCING ACTIVITIES		
Issue of new shares	1,099	474
Financing Cash Inflows	1,099	474
Dividends paid	(15,029)	(35,258)
Financing Cash Outflows	(15,029)	(35,258)
Net cash (outflows) from financing activities	(13,930)	(34,784)
Net (decrease) in cash and cash equivalents	(10,291)	(36,223)
Cash and cash equivalents at beginning of period	77,541	95,337
Foreign cash balance cash flow hedge adjustment	115	12
Cash and cash equivalents at end of period	67,365	59,126

Earnings per Security (EPS)

Calculation of basic and fully diluted EPS in accordance with IAS 33: Earnings Per Share

	Current half-year (cents per share)	Previous corresponding half-year (cents per share)
Basic EPS	6.95	6.22
Diluted EPS	6.81	6.09

Dividends Paid / Payable

	Date Paid / To be paid	Cents per share (fully imputed)
Final Dividend for the period ended 27 January 2013	27 March 2013	7.00
Interim Dividend for the period ended 26 January 2014	30 September 2013	4.50

Segment Information

	Homeware \$000	Sporting goods \$000	Eliminations / Unallocated \$000	Total Group \$000
For the period ended 28 July 2013				
Sales Revenue	145,781	71,586		217,367
Earnings Before Interest and tax	13,439	5,841	621	19,901

	Homeware \$000	Sporting Goods \$000	Eliminations / Unallocated \$000	Total Group \$000
For the period ended 29 July 2012				
Sales Revenue	137,237	67,496		204,733
Earnings Before Interest and tax	12,321	4,536	614	17,471