

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

Reporting Period	Half-Year 27 January 2014 to 27 July 2014
Previous Reporting Period	Half-Year 28 January 2013 to 28 July 2013

	Amount (000s)	Percentage change
Sales revenue from ordinary activities	\$231,452	+6.5%
Profit from ordinary activities after tax attributable to shareholders	\$18,462	+23.7%
Net Profit attributable to shareholders.	\$18,462	+23.7%

Interim Dividend	Gross amount per share	Imputed amount per share
	5.50 cents	5.50 cents

Audit	The abridged financial statements attached to this report have not been audited.
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Comments:	Refer to the section "Half Year Review" for commentary. Earnings before interest and tax (EBIT) is a non-GAAP measure.
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Half Year Review

Highlights for the 26 week period ended 27 July 2014:

- Total sales \$231.45 million, +6.48%
- Same store sales growth, +6.28%
- Gross profit \$91.66 million, +7.63%
- Gross profit margin 39.60% vs 39.18% last year
- EBIT \$24.90 million, +25.14%
- NPAT \$18.46 million, +23.71%
- Interim Dividend 5.50 cents per share, +22.22%

The directors of Briscoe Group Limited announce a 23.71% increase in net profit after tax (NPAT) to \$18.46 million for the half-year ended 27 July 2014. This compares to last year's \$14.92 million half year result. The half-year results are unaudited.

The directors have resolved to pay an interim dividend of 5.50 cents per share (cps). This compares to last year's interim dividend of 4.50 cps and represents 64% of the Group's NPAT. Books will close to determine entitlements at 5pm on 19 September 2014 and payment will be made on 30 September 2014.

The earnings were generated on sales of \$231.45 million compared to the \$217.37 million generated for the same period last year. On a same store basis the Group's sales for the half year ended 27 July 2014 were 6.28% ahead of the same period last year.

Earnings before interest and tax (EBIT) of \$24.90 million were generated for the six months to 27 July 2014. This compares to \$19.90 million for the same period last year and represents an increase of 25.14%.

Gross margin percentage increased from 39.18%% to 39.60% reflecting the continued strength of the New Zealand dollar, and ongoing improvements to the effectiveness of our marketing strategies. These factors are more than offsetting the high levels of competitiveness across the retailing sectors in which the Group operates.

Group EBIT and NPAT for the first half of this year was enhanced by the \$1.34 million recovery booked as a result of the settlement of the Group's Business Interruption insurance claim lodged in relation to the February 2011 Christchurch earthquake. Excluding the impact of this recovery EBIT and NPAT for the Group increased by 18.42% and 17.26% respectively, over the same measures recorded for the first six months of last year.

In the period under review, homeware sales increased 5.34% from \$145.78 million to \$153.57 million and sporting goods sales increased 8.80% from \$71.59 million to \$77.89 million.

On a same store basis, homeware sales increased by 5.03%, while sporting goods sales increased by 8.80%.

Rod Duke, Group Managing Director, said: "We are very pleased to finish this first half with strong growth recorded in sales, gross profit and bottom line profit. To post an increased bottom line in excess of 20% growth despite the ongoing competitiveness of the retail environment and the impact on winter-dependent categories with the late start

to the colder months, is a great achievement for the team. Even excluding the impact of the business interruption insurance settlement, the Group was an impressive 17% ahead of the tax paid profit recorded for last year's first half.

"During the first half of this year the number of stores remained unchanged at 78, but we will open a new Rebel Sport store at Coastlands in Wellington by year end. This will be situated in the same location as our existing Briscoes Homeware store which will relocate to a new larger building adjacent to the current site in November.

"We have completed a number of space realignment and stockroom reconfigurations across Rebel Sport and Briscoes Homeware stores, increasing available space to merchandise stock and improving the flow of stock through to the sales floor. During this first half the Briscoes Homeware store at Ashburton was extended and the Rebel Sport store at Manukau was completely refurbished.

"During the second half of the year, in addition to the afore mentioned Coastlands move, we plan to relocate both the Briscoes Homeware and Rebel Sport stores in Wanganui to a new purpose built location with shared back-of-house facilities. Major extensions and relocations are also well into the planning stages for Briscoes Homeware stores at Taranaki Street in Wellington, Taupo and Hamilton. These projects will come to fruition during the 2015-16 financial year.

"The Group's online business continues to grow significantly and during the second half of this year we will invest further to improve the functionality and performance of our ecommerce platform to support the continued growth we expect from this channel."

Inventory levels at 27 July 2014 were \$73.24 million, \$4.08 million higher than the \$69.16 million at the same time last year reflecting the additional Briscoes Homeware store opened in Kerikeri in October last year, increased stock holdings to satisfy the significant increases experienced in online sales and increased levels of product directly imported by the Group. During the second half of this year we expect to complete a project to receipt stock via scanning that will add a new dimension to our stock efficiency.

Rod Duke, said: "We are optimistic that we will continue to be the first choice for homeware and sporting goods in New Zealand as our customers respond positively to our programmes of continual improvement in the ranges and quality of the brands we offer, the levels and quality of service we provide and the experience available in our stores and online. We are also optimistic about the operational and financial outlook for the Group as we benefit from these positive customer responses, and to the ongoing initiatives we are making to extend our reach throughout New Zealand, and improve efficiency and effectiveness in all areas of our business."

Thursday 4 September 2014

Contact for enquiries:

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BRISCOE GROUP LIMITED CONSOLIDATED INCOME STATEMENT for the 26 week period ended 27 July 2014 (unaudited)
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	Period ended 27 July 2014 \$000	Period ended 28 July 2013 \$000
Sales revenue	231,452	217,367
Cost of goods sold	(139,791)	(132,205)
Gross profit	91,661	85,162
Other operating income	1,867	17
Store expenses	(41,405)	(40,641)
Administration expenses	(27,219)	(24,637)
Earnings before interest and tax	24,904	19,901
Net finance income	844	926
Profit before income tax	25,748	20,827
Income tax expense	(7,286)	(5,903)
Net profit attributable to shareholders	18,462	14,924

BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 26 week period ended 27 July 2014 (unaudited)

	Period ended 27 July 2014 \$000	Period ended 28 July 2013 \$000
Net Profit attributable to shareholders	18,462	14,924
Other comprehensive income:		
Fair value loss recycled to income statement	1,752	713
Fair value (loss)/gain taken to the cashflow hedge reserve	(2,532)	882
Deferred tax on fair value hedge taken to income statement	(491)	(200)
Deferred tax on fair value transfers to cashflow hedge reserve	709	(247)
Total other comprehensive income	(562)	1,148
Total comprehensive income attributable to shareholders	17,900	16,072

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 26 week period ended 27 July 2014 (unaudited)

	Share Capital	Cashflow Hedge Reserve	Share Options Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000
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 loss recycled to income statement	-	713	-	-	713
Fair value gain 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
Net profit attributable to shareholders	-	-	-	18,651	18,651
Other comprehensive income:					
Fair value loss recycled to income statement	-	162	-	-	162
Fair value loss taken to the cashflow hedge reserve	-	(769)	-	-	(769)
Deferred tax on fair value hedge taken to income statement	-	(45)	-	-	(45)
Deferred tax on fair value transfers to cashflow hedge reserve	-	216	-	-	216
Total comprehensive income for the period	-	(436)	-	18,651	18,215
Dividends paid	-	-	-	(9,671)	(9,671)
Share options charged to income statement	-	-	272	-	272
Share options exercised	1,043	-	(190)	-	853
Transfer for share options lapsed and forfeited	-	-	(56)	56	-
Balance at 26 January 2014	44,878	77	785	94,908	140,648
Net profit attributable to shareholders	-	-	-	18,462	18,462
Other comprehensive income:					
Fair value loss recycled to income statement	-	1,752	-	-	1,752
Fair value loss taken to the cashflow hedge reserve	-	(2,532)	-	-	(2,532)
Deferred tax on fair value hedge taken to income statement	-	(491)	-	-	(491)
Deferred tax on fair value transfers to cashflow hedge reserve	-	709	-	-	709
Total comprehensive income for the period	-	(562)	-	18,462	17,900
Dividends paid	-	-	-	(17,280)	(17,280)
Share options charged to income statement	-	-	249	-	249
Share options exercised	789	-	(134)	-	655
Transfer for share options lapsed and forfeited	-	-	-	-	-
Balance at 27 July 2014	45,667	(485)	900	96,090	142,172

BRISCOE GROUP LIMITED
CONSOLIDATED BALANCE SHEET
as at 27 July 2014 (unaudited)

	27 July 2014 \$000	28 July 2013 \$000
EQUITY		
Share capital	45,667	43,835
Share options reserve	900	759
Cashflow hedge reserve	(485)	513
Retained earnings	96,090	85,872
Total equity	142,172	130,979
LIABILITIES		
Non-current liabilities		
Employee benefits	663	592
Total non-current liabilities	663	592
Current liabilities		
Trade and other payables	47,569	46,489
Provisions	54	56
Employee benefits	6,896	6,206
Taxation payable	650	846
Derivative financial instruments	950	176
Total current liabilities	56,119	53,773
TOTAL LIABILITIES	56,782	54,365
TOTAL EQUITY AND LIABILITIES	198,954	185,344
ASSETS		
Non-current assets		
Property, plant and equipment	59,724	43,622
Intangible assets	1,771	1,165
Deferred tax	1,662	1,133
Total non-current assets	63,157	45,920
Current assets		
Cash and cash equivalents	60,240	67,365
Trade and other receivables	1,928	2,024
Inventories	73,236	69,159
Derivative financial instruments	393	876
Total current assets	135,797	139,424
TOTAL ASSETS	198,954	185,344
Net Tangible Assets per Security (cents)	64.99	60.42

BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS for the 26 week period ended 27 July 2014 (unaudited)

	Period ended 27 July 2014 \$000	Year ended 28 July 2013 \$000
OPERATING ACTIVITIES		
Receipts from customers	232,386	217,307
Rent received	530	16
Insurance recovery	1,337	-
Interest received	881	1,007
Operating Cash Inflows	235,134	218,330
Payments to suppliers & employees	(212,286)	(197,471)
Interest paid	(2)	(8)
Net GST paid	(12,172)	(6,197)
Income tax paid	(10,160)	(8,961)
Operating Cash Outflows	(234,620)	(212,637)
Net cash (outflows) from operating activities	514	5,693
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2	4
Investing Cash Inflows	2	4
Purchase of property, plant and equipment	(7,480)	(1,847)
Purchase of intangible assets	(876)	(211)
Investing Cash Outflows	(8,356)	(2,058)
Net cash (outflows) from investing activities	(8,354)	(2,054)
FINANCING ACTIVITIES		
Issue of new shares	654	1,099
Financing Cash Inflows	654	1,099
Dividends paid	(17,280)	(15,029)
Financing Cash Outflows	(17,280)	(15,029)
Net cash (outflows) from financing activities	(16,626)	(13,930)
Net (decrease) in cash and cash equivalents	(24,466)	(10,291)
Cash and cash equivalents at beginning of period	87,762	77,541
Foreign cash balance cash flow hedge adjustment	(56)	115
Cash and cash equivalents at end of period	60,240	67,365

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	8.55	6.95
Diluted EPS	8.37	6.81

Dividends Paid / Payable

	Date Paid / To be paid	Cents per share (fully imputed)
Final Dividend for the period ended 26 January 2014	31 March 2014	8.00
Interim Dividend for the period ended 25 January 2015	30 September 2014	5.50

Segment Information

	Homeware \$000	Sporting goods \$000	Eliminations / Unallocated \$000	Total Group \$000
For the period ended 27 July 2014				
Sales Revenue	153,567	77,885		231,452
Earnings Before Interest and tax	15,856	8,278	770	24,904

	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