

BRISCOE GROUP LIMITED	
Results for announcement to the market	
Reporting Period	Full Year 30 January 2017 to 28 January 2018
Previous Reporting Period	Full Year 1 February 2016 to 29 January 2017

	Amount (000s)	Percentage change
Sales revenue from ordinary activities	\$603,086	+3.5%
Profit from ordinary activities after tax attributable to shareholders	\$61,325	+3.2%
Net Profit attributable to shareholders.	\$61,325	+3.2%

Final Dividend	Gross amount per share	Imputed amount per share
	11.50 cents	11.50 cents

Audit	The abridged financial statements attached to this report have been audited.
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Comments:	Refer to the section "Full Year Review" for commentary. Earnings before interest and tax (EBIT) is a non-GAAP measure.
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Full Year Review

Briscoe Group Posts Record Profit ***Annual Sales top \$600 million for the first time***

(NZX / ASX Code: BGP)

Highlights for the full year ended 28 January 2018

- Total sales \$603.09 million, +3.47%
- Same store sales growth, +3.11%
- Gross profit \$244.17 million, +2.01%
- Gross profit margin 40.49% (Last year 41.07%)
- EBIT \$83.36 million, +4.43%
- NPAT \$61.32 million, +3.20%, normalised +8.16% per below
- Final dividend 11.50cents per share, +4.55%
- Total dividend for the year 19.00 cents per share, +5.56%

Providing customers with an outstanding shopping experience both in its physical stores and online, together with a close focus on inventory management, has allowed Briscoe Group to once again post record results for the year to 28 January 2018.

Briscoe Group Managing Director Rod Duke said, “Net profit after tax (NPAT) of \$61.32 million for the year (52 weeks) ending 28 January 2018, a 3.20% increase on the \$59.42 million for the previous year (52 weeks), was a very satisfactory result in what had been a highly challenging year.

“If you look back at the past year, we had fires in Christchurch in February; a major flood in April; a relatively late start to winter across the country, with warmer than average temperatures in Auckland and the central North Island during key promotional periods in June; intense cold, snow and heavy rain in many parts of the country during July; and then the British & Irish Lions tour, which sucked up a big chunk of discretionary spending,” said Mr Duke.

“Given this background, we are pleased with the way our in-store teams and support functions have continued to drive growth and manage inventory throughout the year,” he said.

Mr Duke said, “Last year’s reported NPAT of \$59.42 million included one-off benefits totaling \$2.7 million in relation to property sales in Hastings. Adjusting for these one-off items gives an increase in underlying NPAT of 8.16% on the 2016-2017 year.”

2017-2018 NPAT included dividends received of \$5.21 million from the Group’s 19.8% shareholding in Kathmandu Holdings Limited. Mr Duke said, “Briscoe’s Board remained an interested observer of Kathmandu’s performance and of potential opportunities in the industry more broadly”.

2017-2018 earnings before interest and taxation of \$83.36 million (previous year \$79.83 million) were generated on sales revenue of \$603.09 million, an increase of 3.47% on the \$582.84 million reported in the previous year. Mr Duke said, “The small decrease in gross profit margin was a function of the intense competition across the retail sector and other competing claims on consumers’ discretionary spending”.

Expansion and enhancement of its Briscoes and Rebel Sport stores remained an investment priority for the Group, with \$5.4 million invested in developing Group-owned property in Wellington City, Petone, Mt Albert and Silverdale. \$6.4 million invested in the fit-out and refurbishment of new and upgraded stores, and more than \$2 million invested in upgraded security camera systems, online platform improvements, enhancements to system software and hardware upgrades.

The Group was also well advanced on improvements to its online offering, with upgrades to its web platform underway, new fulfillment hubs in Whanganui and Hamilton up and running and plans to roll out a Click and Collect service, following a successful trial through the Botany homeware store.

“We still believe that using the knowledge we have of our customers and our market to give people an enjoyable instore shopping experience, complemented by an efficient online offering, will allow us to maintain a competitive advantage over overseas-based internet retailers,” said Mr Duke.

Group Chair Dame Rosanne Meo said, “This year’s results have shown that giving customers quality products and services and a focus on executing the basics well, is still a recipe for success.

“There is no doubt the retail sector is at the sharp end of rapid changes in technology and society which will require retailers to identify and address specific strategic issues, particularly in relation to optimising the balance between their online and bricks and mortar offerings.

“On behalf of the Board, I would like to acknowledge the great work done by all staff to maintain Briscoe Group’s status as New Zealand’s top homeware and sporting goods retailer.”

Dame Rosanne announced that the directors have resolved to pay a final dividend of 11.50 cents per share (cps). The dividend is fully imputed and, when added to the interim dividend of 7.50 cps, brings the total dividend for the year to 19.00 cps, an increase of 5.56% over last year’s total dividend of 18.00 cps.

The final dividend will be paid on 29 March 2018. The share register will close to determine entitlements to the dividend at 5 pm on 26 March 2018.

Monday 12 March 2018

Contact for enquiries:

Rod Duke
Group Managing Director
Tel: (09) 8153737

<p align="center">BRISCOE GROUP LIMITED CONSOLIDATED INCOME STATEMENT for the 52 week period ended 28 January 2018</p>

	52 Week Period ended 28 January 2018 \$000	52 Week Period ended 29 January 2017 \$000
Sales revenue	603,086	582,840
Cost of goods sold	(358,914)	(343,483)
Gross profit	244,172	239,357
Other operating income	6,260	7,457
Store expenses	(101,763)	(100,461)
Administration expenses	(65,305)	(66,526)
Earnings before interest and tax	83,364	79,827
Finance income	567	237
Finance costs	(136)	(369)
Net finance income / (costs)	431	(132)
Profit before income tax	83,795	79,695
Income tax expense	(22,470)	(20,275)
Net profit attributable to shareholders	61,325	59,420

<p align="center">BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 52 week period ended 28 January 2018</p>
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	52 Week Period ended 28 January 2018 \$000	52 Week Period ended 29 January 2017 \$000
Net Profit attributable to shareholders	61,325	59,420
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Change in value of investment in equity securities	18,845	15,637
Fair value loss recycled to income statement from cashflow hedge reserve	484	3,726
Fair value loss taken to the cashflow hedge reserve	(621)	(7,375)
Deferred tax on fair value loss taken to income statement from cashflow hedge reserve	(136)	(1,043)
Deferred tax on fair value loss taken to cashflow hedge reserve	174	2,065
Total other comprehensive income	18,746	13,010
Total comprehensive income attributable to shareholders	80,071	72,430

<p align="center">BRISCOE GROUP LIMITED CONSOLIDATED BALANCE SHEET as at 28 January 2018</p>

	Period ended 28 January 2018 \$000	Period ended 29 January 2017 \$000
ASSETS		
Current assets		
Cash and cash equivalents	78,193	60,066
Trade and other receivables	2,737	2,559
Inventories	74,494	78,931
Derivative financial instruments	47	44
Total current assets	155,471	141,600
Non-current assets		
Property, plant and equipment	83,326	76,081
Intangible assets	1,364	960
Deferred tax	2,983	3,015
Investment in equity securities	95,427	76,582
Total non-current assets	183,100	156,638
TOTAL ASSETS	338,571	298,238
LIABILITIES		
Current liabilities		
Trade and other payables	81,161	84,970
Taxation payable	6,980	6,284
Derivative financial instruments	1,276	1,112
Total current liabilities	89,417	92,366
Non-current liabilities		
Trade and other payables	726	719
Total non-current liabilities	726	719
TOTAL LIABILITIES	90,143	93,085
Net assets	248,428	205,153
EQUITY		
Share capital	56,467	52,756
Cashflow hedge reserve	(915)	(816)
Share options reserve	1,045	957
Other reserves	26,744	7,899
Retained earnings	165,087	144,357
TOTAL EQUITY	248,428	205,153
Net Tangible Assets per Security (cents)	111.90	93.02

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the 52 week period ended 28 January 2018

	52 Week Period ended 28 January 2018 \$000	52 Week Period ended 29 January 2017 \$000
OPERATING ACTIVITIES		
Cash was provided from		
Receipts from customers	603,096	582,579
Rent received	801	792
Dividends received	5,216	4,414
Interest received	472	179
Insurance recovery	243	220
	609,828	588,184
Cash was applied to		
Payments to suppliers & employees	(496,049)	(459,993)
Interest paid	(129)	(361)
Net GST paid	(22,418)	(20,373)
Income tax paid	(21,704)	(21,473)
	(540,300)	(502,200)
Net cash inflows from operating activities	69,528	85,984
INVESTING ACTIVITIES		
Cash was provided from		
Proceeds from sale of property, plant and equipment	6	7,315
	6	7,315
Cash was applied to		
Purchase of property, plant and equipment	(12,888)	(17,661)
Purchases of intangible assets	(1,116)	(615)
	(14,004)	(18,276)
Net cash outflows flows from investing activities	(13,998)	(10,961)
FINANCING ACTIVITIES		
Cash was provided from		
Net proceeds from borrowings	-	-
Issue of new shares	3,282	3,713
	3,282	3,713
Cash was applied to		
Dividends paid	(40,710)	(36,051)
	(40,710)	(36,051)
Net cash outflows from to financing activities	(37,428)	(32,338)
Net increase in cash and cash equivalents	18,102	42,685
Cash and cash equivalents at beginning of period	60,066	17,554
Effect of exchange rate changes on cash and cash equivalents	25	(173)
Cash and cash equivalents at period end	78,193	60,066

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 28 January 2018

	Share Capital	Cashflow Hedge Reserve	Share Options Reserve	Other Reserves	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 31 January 2016	48,242	1,811	1,291	(7,738)	120,818	164,424
Net profit attributable to shareholders for the period	-	-	-	-	59,420	59,420
Other comprehensive income:						
Change in fair value of investment in equity securities	-	-	-	15,637	-	15,637
Net fair value loss taken through cashflow hedge reserve	-	(2,627)	-	-	-	(2,627)
Total comprehensive income for the period	-	(2,627)	-	15,637	59,420	72,430
Transactions with owners:						
Dividends paid	-	-	-	-	(36,051)	(36,051)
Share options charged to income statement	-	-	637	-	-	637
Share options exercised	4,514	-	(801)	-	-	3,713
Transfer for share options lapsed and forfeited	-	-	(170)	-	170	-
Balance at 29 January 2017	52,756	(816)	957	7,899	144,357	205,153
Net profit attributable to shareholders for the period	-	-	-	-	61,325	61,325
Other comprehensive income:						
Change in value of investment in equity securities	-	-	-	18,845	-	18,845
Net fair value loss taken through cashflow hedge reserve	-	(99)	-	-	-	(99)
Total comprehensive income for the period	-	(99)	-	18,845	61,325	80,071
Transactions with owners:						
Dividends paid	-	-	-	-	(40,710)	(40,710)
Share options charged to income statement	-	-	632	-	-	632
Share options exercised	3,711	-	(429)	-	-	3,282
Transfer for share options lapsed and forfeited	-	-	(115)	-	115	-
Balance at 28 January 2018	56,467	(915)	1,045	26,744	165,087	248,428

Earnings per Security (EPS)

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

	Current full year (cents per share)	Previous corresponding full year (cents per share)
Basic EPS	27.8	27.2
Diluted EPS	27.3	26.5

Dividends Paid / Payable

	Date Paid / To be paid	Cents per share (fully imputed)
Interim Dividend for the period ended 28 January 2018	2 October 2017	7.50
Final Dividend for the period ended 28 January 2018	29 March 2018	11.50

Segment Information

For the period ended 28 January 2018	Homeware \$000	Sporting goods \$000	Eliminations / Unallocated \$000	Total Group \$000
Sales Revenue	383,796	219,290	-	603,086
Earnings Before Interest and tax	46,120	30,225	7,019	83,364

For the period ended 29 January 2017	Homeware \$000	Sporting Goods \$000	Eliminations / Unallocated \$000	Total Group \$000
Sales Revenue	372,507	210,333	-	582,840
Earnings Before Interest and tax	46,381	27,747	5,699	79,827