

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

Reporting Period	Full Year 26 January 2015 to 31 January 2016
Previous Reporting Period	Full Year 27 January 2014 to 25 January 2015

	Amount (000s)	Percentage change
Sales revenue from ordinary activities	\$552,892	+9.0%
Profit from ordinary activities after tax attributable to shareholders	\$47,137	+19.9%
Net Profit attributable to shareholders.	\$47,137	+19.9%

Final Dividend	Gross amount per share	Imputed amount per share
	9.50 cents	9.50 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

Highlights for the full year ended 31 January 2016

- Total sales \$552.89 million, +9.04%
- Same store sales growth, +5.44%
- Gross profit \$223.87 million, +13.50%
- Gross profit margin 40.49% (Last year 38.90%)
- EBIT \$65.94 million, +24.12%
- NPAT \$47.14 million, +19.94%
- Final dividend 9.50 cents per share, +11.76%
- Total dividend for the year 15.50 cents per share, +10.71%

The directors of Briscoe Group Limited announce an audited net profit after tax (NPAT) of \$47.14 million for the year ending 31 January 2016, a 19.94% increase on the \$39.30 million for the previous year.

The result incorporates an additional week's trading in comparison to the 52 week period last year. The additional week is necessary because the Group operates on a weekly trading and reporting cycle of 52 weeks for most years with a 53 week year required once every five to six years to realign the financial and calendar year-ends.

Group Managing Director, Rod Duke, said "We are pleased to announce another record profit for Briscoe Group. The compound growth in NPAT we have generated over the last five years amounts to 16.9% per annum; a performance we are very proud of given the challenging competitive environments encountered. Central to our success has been our drive to continually improve all aspects of our business."

The directors have resolved to pay a final dividend of 9.50 cents per share (cps). This compares to last year's final dividend of 8.00 cps. The dividend is fully imputed and, when added to the interim dividend of 6.00 cps, brings the total dividend for the year to 15.50 cps, an increase of 10.71% over last year's total dividend of 14.00 cps.

The final dividend will be paid on 31 March 2016. The share register will close to determine entitlements to the dividend at 5 pm on 24 March 2016.

The earnings were generated on sales revenue of \$552.89 million, an increase of 9.04% on the \$507.06 million reported in the previous year. On a same store basis and adjusting for the additional week's trading, the Group's sales for the year were 5.44% ahead of the same period last year.

The Group's gross profit margin for the year increased from 38.90% to 40.49%, reflecting the constant focus on inventory and promotion management with benefits accruing from initiatives such as the stock-receipting (via scanning) project implemented during 2014, the continued refinement of local and international product ranges, prudent foreign exchange cover put in place prior to the commencement of the financial year, and increased sophistication around the construct, delivery and analysis of promotions.

Earnings before interest and taxation (EBIT) increased 24.12% from \$53.12 million for 2014-15 to \$65.94 million for the 2015-16 year.

The number of homeware stores across the Group increased by one to 47 during the year with the opening of a new Briscoes Homeware store at Queenstown. This new store, an extension to the Invercargill store and the relocation to larger premises of the Taupo and Hamilton Briscoes

Homeware stores have resulted in an increase in total floor area for homeware stores from 95,787 to 100,085 square metres. Sporting goods store numbers increased during the year by two to 35 with the opening of new Rebel Sport stores at Hornby and Queenstown, taking the total floor area for sporting goods stores from 53,993 to 56,394 square metres.

On an adjusted same store sales basis the homeware and sporting goods segments returned sales increases of 3.78% and 8.73% respectively for the year ended 31 January 2016.

During the year \$68.68 million of capital investment was made by the Group to purchase a 19.9% shareholding in Kathmandu Holdings Limited. The Group's takeover offer for the remaining shares in Kathmandu Holdings Limited closed on 17 September with insufficient acceptances to satisfy the minimum acceptance condition and thus lapsed in accordance with its terms. Group Managing Director, Rod Duke, said "We were disappointed that our offer was unsuccessful as we believe there would be significant benefits for the shareholders of both companies from merging the two businesses. As Kathmandu's largest single shareholder we continue to watch its performance closely and remain open to the idea of progressing this at some stage in the future."

In addition to the purchase of shares in Kathmandu Holdings Limited, other capital expenditure of \$13.18 million was made during the year. The main areas of this expenditure were for the settlement of property transactions, the fit-out of three new stores, the relocation of two stores, three store refurbishments and enhancements to systems software and the online web platform.

Inventories totaled \$80.20 million at year-end, being \$6.70 million higher than the \$73.51 million reported for last year, reflecting the three additional stores opened by the Group during the year, increased stock holdings to satisfy the significant increases experienced in online sales and increased levels of product imported directly by the Group.

Cash and bank balances as at 31 January 2016 were \$17.55 million, compared to \$89.69 million at 25 January 2015; the reduction being primarily a result of the acquisition of shares in Kathmandu Holdings Limited.

Net cash inflows from operating activities were \$39.90 million, \$5.15 million below those of last year, with additional GST and creditor payments settled in the current financial year, offset to some extent by the positive cash flow impact of the additional week's trading included in this financial year.

The results are for the 53 week period from 26 January 2015 to 31 January 2016.

Group Managing Director, Rod Duke, said "The Group's store opening / refurbishment programme continued during the year. In March we opened a new Rebel Sport store at Hornby in Christchurch situated alongside our existing Briscoes Homeware store. In October we opened new Briscoes Homeware and Rebel Sport stores in Queenstown. These two stores, which had been eagerly anticipated, were enthusiastically welcomed by the local community and both are trading above expectations. In February the final stages of the extension and refurbishment were completed at the Briscoes Homeware store in Invercargill. We relocated the Briscoes Homeware store in Taupo to a modern larger location with improved back-of-house facilities in April and in May the Briscoes Homeware store in Hamilton was also relocated to a new site adjacent to the existing one. In July a major refurbishment and new store layout were completed in Gisborne at our Briscoes Homeware and Rebel Sport stores respectively and in August at Tauranga the Briscoes Homeware store was refurbished and the Rebel Sport store reconfigured.

"Our online business has continued to grow significantly and we have established additional fulfilment capacity during the year to meet the increased demand through this channel. Search functionality has also been improved to make it easier for customers to find what they are looking for. Online sales accounted for 4.5% of Group sales for the year with strong growth anticipated to

continue for the foreseeable future. We remain committed to continual improvement of the overall shopping experience.

“Presenting new and innovative ranges to our customers is a key part of our strategy and the merchandise team has continued to look for opportunities to surprise and delight our customers. We are acutely aware of the gradual fragmentation of media and have continued to develop the mix of media we employ to reach and connect with our customer base.

“We look forward to another year of improving and growing our business. Prior to Easter we will open new Briscoes Homeware and Rebel Sport stores at the Westgate development, northwest of Auckland. These new stores will serve a growing catchment and will be the first new stores opened in the greater Auckland region since we opened our Pukekohe stores just over eight years ago. In May we plan to extend the retail and storage area at the Briscoes Homeware store in Dunedin and establish additional online fulfilment facilities there. A lease for an adjoining building has been secured. During September and October we expect to extend and refurbish the Briscoes Homeware store at Taranaki Street, Wellington. This will see the central Wellington store increase retail area by approximately 20% and will provide significant improvements to car parking and storeroom facilities.

“It is clear that the New Zealand retailing environment remains challenging with a number of retailers struggling for growth, but we remain cautiously optimistic about the year ahead for Briscoe Group.

“It will be imperative for retailers to focus on protecting gross margin percentage as we start to experience the effects of a weaker New Zealand dollar against the US dollar. It is inevitable that importers’ margins will be adversely affected over time as foreign exchange cover taken at higher levels matures.

“We are confident that with the initiatives we have in place and the pleasing start we have made to the new financial year, we will continue to strengthen our position as New Zealand’s leading retailer of homeware and sporting goods.

“On behalf of the Board I would like to acknowledge the huge contribution again, from all team members and thank them for their continued support and effort over the past 12 months.”

Thursday 10th March 2016

Contact for enquiries:

Rod Duke
Group Managing Director
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BRISCOE GROUP LIMITED CONSOLIDATED INCOME STATEMENT for the 53 week period ended 31 January 2016

	53 Week Period ended 31 January 2016 \$000	52 Week Period ended 25 January 2015 \$000
Sales revenue	552,892	507,063
Cost of goods sold	(329,021)	(309,816)
Gross profit	223,871	197,247
Other operating income	2,881	2,336
Store expenses	(94,758)	(86,968)
Administration expenses	(66,059)	(59,493)
Earnings before interest and tax	65,935	53,122
Finance income	1,007	1,773
Finance costs	(650)	(6)
Net finance income	357	1,767
Profit before income tax	66,292	54,889
Income tax expense	(19,155)	(15,587)
Net profit attributable to shareholders	47,137	39,302

BRISCOE GROUP LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the 53 week period ended 31 January 2016
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	53 Weeks Period ended 31 January 2016 \$000	52 Weeks Period ended 25 January 2015 \$000
Net Profit attributable to shareholders	47,137	39,302
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Change in value of available-for-sale financial asset	(7,738)	-
Fair value gain recycled to income statement	(14,950)	(22)
Fair value gain taken to the cashflow hedge reserve	13,480	3,901
Deferred tax on fair value gain taken to income statement	4,186	6
Deferred tax on fair value gain taken to cashflow hedge reserve	(3,775)	(1,092)
Total other comprehensive income	(8,797)	2,793
Total comprehensive income attributable to shareholders	38,340	42,095

BRISCOE GROUP LIMITED
CONSOLIDATED BALANCE SHEET
as at 31 January 2016

	Period ended 31 January 2016 \$000	Period ended 25 January 2015 \$000
ASSETS		
Current assets		
Cash and cash equivalents	17,554	89,690
Trade and other receivables	2,334	3,819
Inventories	80,204	73,507
Held-for-sale assets	5,375	-
Derivative financial instruments	2,620	3,736
Total current assets	108,087	170,752
Non-current assets		
Property, plant and equipment	63,527	61,621
Intangible assets	1,538	1,452
Deferred tax	1,321	929
Available-for-sale financial assets	60,945	-
Total non-current assets	127,331	64,002
TOTAL ASSETS	235,418	234,754
LIABILITIES		
Current liabilities		
Trade and other payables	63,261	74,324
Taxation payable	6,810	4,142
Derivative financial instruments	210	1
Total current liabilities	70,281	78,467
Non-current liabilities		
Trade and other payables	713	728
Total non-current liabilities	713	728
TOTAL LIABILITIES	70,994	79,195
Net assets	164,424	155,559
EQUITY		
Share capital	48,242	46,550
Cashflow hedge reserve	1,811	2,870
Share options reserve	1,291	1,058
Other reserves	(7,738)	-
Retained earnings	120,818	105,081
TOTAL EQUITY	164,424	155,559
Net Tangible Assets per Security (cents)	74.86	71.15

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the 53 week period ended 31 January 2016

	53 Weeks Period ended 31 January 2016 \$000	52 Weeks Year ended 25 January 2015 \$000
OPERATING ACTIVITIES		
Cash was provided from		
Receipts from customers	553,839	507,115
Rent received	874	995
Dividends received	2,008	4
Interest received	1,349	1,635
Insurance recovery	-	1,337
	558,070	511,086
Cash was applied to		
Payments to suppliers & employees	(479,164)	(433,487)
Interest paid	(683)	(6)
Net GST paid	(21,857)	(17,002)
Income tax paid	(16,468)	(15,540)
	(518,172)	(466,035)
Net cash inflows from operating activities	39,898	45,051
INVESTING ACTIVITIES		
Cash was provided from		
Proceeds from sale of property, plant and equipment	28	10
	28	10
Cash was applied to		
Purchase of property, plant and equipment	(12,097)	(11,630)
Purchases of intangible assets	(1,080)	(1,057)
Purchase of available-for-sale financial assets	(68,683)	-
	(81,860)	(12,687)
Net cash outflows flows from investing activities	(81,832)	(12,677)
FINANCING ACTIVITIES		
Cash was provided from		
Net proceeds from borrowings	-	-
Issue of new shares	1,418	1,410
	1,418	1,410
Cash was applied to		
Dividends paid	(31,475)	(29,167)
	(31,475)	(29,167)
Net cash outflows from to financing activities	(30,057)	(27,757)
Net (decrease)/increase in cash and cash equivalents	(71,991)	4,617
Cash and cash equivalents at beginning of period	89,690	84,762
Foreign cash balance cash flow hedge adjustment	(145)	311
Cash and cash equivalents at period end	17,554	89,690

BRISCOE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 53 week period ended 31 January 2016

	Share Capital	Cashflow Hedge Reserve	Share Options Reserve	Other Reserves	Retained Earnings	Total Equity
	Unaudited \$000	Unaudited \$000	Unaudited \$000	Unaudited \$000	Unaudited \$000	Unaudited \$000
Balance at 26 January 2014	44,878	77	785	-	94,908	140,648
Net profit attributable to shareholders for the period	-	-	-	-	39,302	39,302
Other comprehensive income:						
Fair value gain recycled to income statement	-	(22)	-	-	-	(22)
Fair value gain taken to cashflow hedge reserve	-	3,901	-	-	-	3,901
Deferred tax on fair value gain taken to income statement	-	6	-	-	-	6
Deferred tax on fair value gain to cashflow hedge reserve	-	(1,092)	-	-	-	(1,092)
Total comprehensive income for the period	-	2,793	-	-	39,302	42,095
Transactions with owners:						
Dividends paid	-	-	-	-	(29,167)	(29,167)
Share options charged to income statement	-	-	573	-	-	573
Share options exercised	1,672	-	(262)	-	-	1,410
Transfer for share options lapsed and forfeited	-	-	(38)	-	38	-
Balance at 25 January 2015	46,550	2,870	1,058	-	105,081	155,559
Net profit attributable to shareholders for the period	-	-	-	-	47,137	47,137
Other comprehensive income:						
Change in value of available-for-sale financial assets	-	-	-	(7,738)	-	(7,738)
Fair value gain recycled to income statement	-	(14,950)	-	-	-	(14,950)
Fair value gain taken to cashflow hedge reserve	-	13,480	-	-	-	13,480
Deferred tax on fair value gain taken to income statement	-	4,186	-	-	-	4,186
Deferred tax on fair value gain to cashflow hedge reserve	-	(3,775)	-	-	-	(3,775)
Total comprehensive income for the period	-	(1,059)	-	(7,738)	47,137	38,340
Transactions with owners:						
Dividends paid	-	-	-	-	(31,475)	(31,475)
Share options charged to income statement	-	-	582	-	-	582
Share options exercised	1,692	-	(274)	-	-	1,418
Transfer for share options lapsed and forfeited	-	-	(75)	-	75	-
Balance at 31 January 2016	48,242	1,811	1,291	(7,738)	120,818	164,424

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	21.7	18.2
Diluted EPS	21.2	17.8

Dividends Paid / Payable

	Date Paid / To be paid	Cents per share (fully imputed)
Interim Dividend for the period ended 31 January 2016	5 October 2015	6.00
Final Dividend for the period ended 31 January 2016	31 March 2016	9.50

Segment Information

	Homeware \$000	Sporting goods \$000	Eliminations / Unallocated \$000	Total Group \$000
For the period ended 31 January 2016				
Sales Revenue	357,875	195,017	-	552,892
Earnings Before Interest and tax	40,449	24,962	524	65,935

	Homeware \$000	Sporting Goods \$000	Eliminations / Unallocated \$000	Total Group \$000
For the period ended 25 January 2015				
Sales Revenue	337,190	169,873	-	507,063
Earnings Before Interest and tax	33,169	18,362	1,591	53,122