

Appendix 4D

Half-year financial report

For the half-year ended 31 December 2011

JB Hi-Fi Limited

ACN 093 220 136

This half-year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.

Current Reporting Period: Financial period ended 31 December 2011

Previous Corresponding Period: Financial period ended 31 December 2010

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Name of entity

JB Hi-Fi Limited

DETAILS OF THE REPORTING PERIOD

ABN or equivalent company reference

ACN 093 220 136

Financial period ended

31 December 2011

(Comparative period – 31 December 2010)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit / (Loss)

		<i>Percentage change %</i>		<i>Amount \$'000</i>
Revenue from ordinary activities	up	5.47%	to	1,774,729
Profit from ordinary activities after tax	down	9.36%	to	79,637
Net profit attributable to members of the parent entity	down	9.36%	to	79,637

Dividends (Distributions)

	<i>Amount per security</i>	<i>Franked amount per security</i>
Final dividend – year end 30 June 2011	29.0¢	29.0¢
Interim dividend – year end 30 June 2012	49.0¢	49.0¢

Record date for determining entitlements to the dividend:

- final dividend 23 August 2011
- interim dividend 23 February 2012

Dividend payment date:

- final dividend 2 September 2011
- interim dividend 9 March 2012

Net Tangible Assets Per Security

	<i>31 Dec 2011</i>	<i>31 Dec 2010</i>
	<i>\$</i>	<i>\$</i>
Net tangible assets per security	1.12	2.34

For a brief explanation of the figures above please refer to the Announcement on the results for the half-year ended 31 December 2011 and the notes to the financial statements.

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COMPANY ANNOUNCEMENT

13 February 2012

JB Hi-Fi reports Sales for JB Hi-Fi branded stores up 6.7%, EPS in line with last year and an increased Dividend to 49.0 cps

Overview

JB Hi-Fi Limited today reported solid half year results for the six months ending 31 December 2011, in the most challenging period for retailers in many years.

Sales growth for JB Hi-Fi branded stores in Australia and New Zealand was 6.7% (5.5% including Clive Anthony's branded stores) and comparative store sales for JB Hi-Fi branded stores were -2.2% for the six months.

EBIT was in line with the Company's trading update released in December 2011, being down 4.9% to \$120.7 million (HY11: \$127.0 million) from \$1.775 billion sales for the half year.

NPAT was \$79.6m (HY11: \$87.9m) and was in line with EBIT movement before \$5.5m of funding costs associated with the Company's share buy-back in May 2011. Importantly the buy-back has enabled us to maintain our earnings per share at 80.7 cps.

Gross margin was 21.2% (HY11: 21.5%) and cost of doing business was 13.6% (HY11: 13.2%), resulting in an EBIT margin of 6.8% (HY11: 7.5%). This was a pleasing result considering the impact of negative comparative store sales on operating leverage. Cash flow from operations was \$215.9 million for the half year, which was consistent with the prior period.

The directors have declared a fully franked interim dividend for the half year of 49.0 cents per share (HY11: 48.0 cents per share), in line with the dividend policy of a payout ratio of 60% of HY12 NPAT. The interim dividend will be paid on 9 March 2012. The record date for determining the entitlement is 23 February 2012.

"We saw total sales growth for the Company, with JB Hi-Fi branded stores growing 6.7%, and market share gains in what has been a very challenging retail environment. We continue to evolve our model both in store and out of store, while maintaining our focus on those basic fundamentals which have and will continue to make us successful, being our unique brand personality, low cost of doing business and motivated and passionate staff" said CEO Terry Smart.

Store Roll-out Update

The Company opened 10 new JB Hi-Fi stores in HY12 (Australia: 10, New Zealand: 0) and plans to open a further 6 JB Hi-Fi stores in the second half, bringing the total number of new stores to 16 for FY12. One JB Hi-Fi store and one Clive Anthony's store were closed during the period. New stores have continued to perform to expectations. "The high return on investment generated by our new and established stores gives us the confidence to continue with our roll-out strategy. We believe we continue to offer customers a real point of difference and, together with our low operating cost model, this positions us to be a major beneficiary of any industry consolidation" said CEO Terry Smart.

At 31 December 2011, the Company had 165 stores (Australia: 152, NZ: 13), of which 161 were JB Hi-Fi branded stores. The Company is targeting 214 JB Hi-Fi branded stores and plans to open circa 13 to 15 stores per annum. With 53 JB Hi-Fi stores yet to open, the Company can look forward to many years of good organic growth.

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Online and Digital

Online sales grew 87.7% over the half year with December sales up 109%.

With a high number of unique visitations (average of 1.4 million per week in December 2011 and 957,000 per week over HY12) the online site continued to be an important sales generator for both in store and online sales.

JB Hi-Fi has continued to refine its online presence as part of its multichannel strategy with the addition of both "Direct Import" cameras and "Factory Scoop".

JB Hi-Fi's digital music streaming service, JB HI-FI NOW, was "soft" launched in December 2011 and the Company is developing this evolving technology to deliver future growth. A key to the success of the JB HI-FI NOW platform will be the mobile service which we plan to launch in the next four weeks.

CEO Terry Smart said "Our online strategy, which has been evolving over the last 6 years, continues to deliver solid growth. The first stage of our digital strategy, our music subscription streaming service, JB HI-FI NOW, is gaining momentum and will accelerate in growth once we launch our mobile application in the next four weeks."

FY12 Outlook

The traditional three week post-Christmas sales period was challenging. In particular, this weakness was driven by the lower than anticipated sales in TV panels, a category in which sales are traditionally driven by heavy promotions in this period. Further weakness was also experienced in IT Accessories and Cameras which have continued to suffer from inventory supply shortages due to the Thailand floods.

As a result, January sales were soft, with JB Hi-Fi branded comparable store sales negative 5.5%.

While still early, we have seen an improvement in February sales which for the month to date for JB Hi-Fi branded stores grew 8.4% and on a comparable store basis sales grew 1.0%.

As a result, for the first six weeks of the second half, sales for JB Hi-Fi branded stores grew 3.3% and on a comparable store basis sales were negative 3.9%.

"While it has been a tough start to the year we expect sales to improve as we cycle out the heavy promotional period of post Christmas and New Year sales. In our view consumers were suffering from "promotional fatigue" and therefore have not reacted as well to our post Christmas promotional offers as in previous years. While the market will remain challenging, we will continue to focus on delivering customers a unique and engaging shopping experience both in store and online. Our continued focus on customer service through our passionate and knowledgeable staff, combined with our low cost operating model, will mean we can continue to offer best value and capture market share as the industry further consolidates" said CEO Terry Smart.

Assuming trading conditions in 2HY12 are comparable with the first half of FY12, the Company expects sales in FY12 to be circa \$3.1 billion, a 5% increase on the prior year.

Media & Investors:
Terry Smart
Chief Executive Officer
03 8530 7333

Investors:
Richard Murray
Chief Financial Officer
03 8530 7333

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JB Hi-Fi Limited

ABN 80 093 220 136

**Half-year financial report for the half-year
ended 31 December 2011**

**Half-year financial report
for the half-year ended
31 December 2011**

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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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DIRECTORS' REPORT

The directors of JB Hi-Fi Limited ("the Company") submit herewith the half-year financial report of the Company and its subsidiaries ("the Group") for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Mr P. Elliott (Chairman)	Dr W. Fraser
Mr J. King	Mr G. Levin
Mr G. Richards	Ms B. Laughton
Mr R. Uechtritz	Mr T. Smart

The above named directors held office during and since the end of the half-year except for:

- Dr W. Fraser – resigned on 12 October 2011.

Review of operations

The Group's net profit attributable to equity holders of the parent for the half-year was \$79,637 thousand (2010: \$87,859 thousand). A review of the operations of the Group during the half-year and the results of these operations are set out in the attached company announcement.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors



Terry Smart
Chief Executive Officer

Melbourne,
13 February 2012

The Board of Directors
JB Hi-Fi Limited
Level 4, Office Tower 2
Chadstone Shopping Centre
1341 Dandenong Road
Chadstone VIC 3148

13 February 2012

Dear Sirs,

JB Hi-Fi Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of JB Hi-Fi Limited.

As lead audit partner for the review of the financial statements of JB Hi-Fi Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE (TOHMATSU)


Tom Imbesi
Partner
Chartered Accountants

Independent Auditor's Review Report to the Members of JB Hi-Fi Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of JB Hi-Fi Limited, which comprises the condensed consolidated balance sheet as at 31 December 2011, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of JB Hi-Fi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of JB Hi-Fi Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of JB Hi-Fi Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE (TOHMATSU)

Tom Imbesi
Tom Imbesi
Partner

Chartered Accountants

Melbourne, 13 February 2012

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Terry Smart
Chief Executive Officer

Melbourne,
13 February 2012

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JB Hi-Fi Limited
Condensed consolidated income statement

	Notes	Half-year ended	
		31 Dec 2011 \$'000	31 Dec 2010 \$'000
Revenue		1,774,729	1,682,634
Cost of sales		<u>(1,397,763)</u>	<u>(1,320,169)</u>
Gross profit		376,966	362,465
Other income		306	1,244
Sales and marketing expenses		(160,604)	(147,927)
Occupancy expenses		(64,034)	(56,809)
Administration expenses		(14,559)	(13,713)
Other expenses		(17,050)	(17,084)
Finance costs		<u>(7,215)</u>	<u>(2,611)</u>
Profit before tax		113,810	125,565
Income tax expense		(34,173)	(37,706)
Profit for the half-year		<u>79,637</u>	<u>87,859</u>
Attributable to:			
Equity holders of the parent		<u>79,637</u>	<u>87,859</u>
		<u>79,637</u>	<u>87,859</u>
		Cents	Cents
Earnings per share			
Basic (cents per share)	5	80.67	80.64
Diluted (cents per share)	5	80.49	80.04

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

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JB Hi-Fi Limited
Condensed consolidated statement of comprehensive income

	Half-year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Profit for the half-year	79,637	87,859
Other comprehensive income		
Changes in the fair value of cash flow hedges (net of tax)	(881)	148
Exchange differences on translation of foreign operations	<u>(587)</u>	<u>(2,776)</u>
Other comprehensive income for the half-year	<u>(1,468)</u>	<u>(2,628)</u>
Total comprehensive income for the half-year	<u>78,169</u>	<u>85,231</u>
Total comprehensive income attributable to:		
Equity holders of the parent	<u>78,169</u>	<u>85,231</u>
	<u>78,169</u>	<u>85,231</u>

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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JB Hi-Fi Limited
Condensed consolidated balance sheet

	Notes	31 Dec 2011 \$'000	30 Jun 2011 \$'000	31 Dec 2010 \$'000
ASSETS				
Current assets				
Cash and cash equivalents		58,715	27,246	180,011
Trade and other receivables	2	125,734	58,253	130,273
Inventories		415,722	406,939	388,082
Other		8,039	8,634	5,060
Total current assets		608,210	501,072	703,426
Non-current assets				
Other financial assets		3	3	3
Plant and equipment		183,181	169,590	176,834
Deferred tax assets		18,395	17,802	13,982
Intangible assets		78,499	78,672	83,016
Total non-current assets		280,078	266,067	273,835
Total assets		888,288	767,139	977,261
LIABILITIES				
Current liabilities				
Trade and other payables	3	484,841	301,602	507,437
Other financial liabilities		1,226	645	167
Current tax liabilities		22,614	12,064	27,605
Provisions		29,017	29,316	26,785
Other current liabilities		2,354	2,311	2,336
Total current liabilities		540,052	345,938	564,330
Non-current liabilities				
Borrowings	4	103,504	232,582	34,574
Provisions		14,335	14,466	4,618
Other non-current liabilities		22,275	21,548	20,985
Other financial liabilities		960	292	-
Total non-current liabilities		141,074	268,888	60,177
Total liabilities		681,126	614,826	624,507
Net assets		207,162	152,313	352,754
EQUITY				
Contributed equity		61,545	58,206	63,644
Reserves		4,500	4,028	1,340
Retained earnings		141,117	90,079	287,770
Total equity		207,162	152,313	352,754

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

JB Hi-Fi Limited
Condensed consolidated statement of changes in equity

Consolidated	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2010	53,578	3,873	235,845	293,296
Profit for the half-year	-	-	87,859	87,859
Cash flow hedges	-	148	-	148
Exchange differences on translation of foreign operations	-	(2,776)	-	(2,776)
Total comprehensive income for the half-year	-	(2,628)	87,859	85,231
Issue of shares under share option plan	7,900	-	-	7,900
Transfer from equity settled benefits reserve	2,166	(2,166)	-	-
Dividends provided for or paid	-	-	(35,934)	(35,934)
Employee share options - value of employee services	-	2,261	-	2,261
Balance at 31 December 2010	63,644	1,340	287,770	352,754
Balance at 1 July 2011	58,206	4,028	90,079	152,313
Profit for the half-year	-	-	79,637	79,637
Cash flow hedges	-	(881)	-	(881)
Exchange differences on translation of foreign operations	-	(587)	-	(587)
Total comprehensive income for the half-year	-	(1,468)	79,637	78,169
Issue of shares under share option plan	3,345	-	-	3,345
Share issue costs (net of tax)	(6)	-	-	(6)
Dividends provided for or paid	-	-	(28,599)	(28,599)
Employee share options - value of employee services	-	1,940	-	1,940
Balance at 31 December 2011	61,545	4,500	141,117	207,162

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

JB Hi-Fi Limited
Condensed consolidated statement of cash flows

		Half-year ended	
		31 Dec 2011	31 Dec 2010
Notes		\$'000	\$'000
Cash flows from operating activities			
	Receipts from customers	1,888,156	1,786,530
	Payments to suppliers and employees	(1,641,173)	(1,543,417)
	Interest and bill discounts received	288	1,205
	Interest and other costs of finance paid	(7,480)	(3,333)
	Income taxes paid	(23,878)	(22,442)
	Net cash (outflow) inflow from operating activities	<u>215,913</u>	<u>218,543</u>
Cash flows from investing activities			
	Payments for property, plant and equipment	(30,074)	(27,659)
	Proceeds from sale of plant and equipment	298	265
	Payments for intangible assets	-	-
	Net cash (outflow) inflow from investing activities	<u>(29,776)</u>	<u>(27,394)</u>
Cash flows from financing activities			
	Share issue costs paid	(9)	-
	Repayment of borrowings	(129,334)	(35,000)
	Proceeds from issues of equity securities	3,346	7,900
6	Dividends paid to members of the parent entity	(28,599)	(35,934)
	Net cash (outflow) inflow from financing activities	<u>(154,596)</u>	<u>(63,034)</u>
	Net increase (decrease) in cash and cash equivalents	31,541	128,115
	Cash and cash equivalents at the beginning of the half-year	27,246	51,735
	Effects of exchange rate changes on cash and cash equivalents	(72)	161
	Cash and cash equivalents at end of the half-year	<u>58,715</u>	<u>180,011</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

This general purpose interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by JB Hi-Fi Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of preparation of half-year financial report

The condensed consolidated financial statements have been prepared on the basis of historical costs, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the adoption of the new and revised accounting policy's discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material financial impact on the amounts recognised in the financial statements of the Group for the current or prior periods.

(b) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

2 Current assets - Trade and other receivables

	31 Dec 2011 \$'000	30 Jun 2011 \$'000	31 Dec 2010 \$'000
Trade receivables	21,916	12,113	19,984
Allowance for doubtful debts	<u>(505)</u>	<u>(403)</u>	<u>(1,014)</u>
	<u>21,411</u>	<u>11,710</u>	<u>18,970</u>
Non-trade receivables	<u>104,323</u>	<u>46,543</u>	<u>111,303</u>
	<u>125,734</u>	<u>58,253</u>	<u>130,273</u>

3 Current liabilities - Trade and other payables

	31 Dec 2011 \$'000	30 Jun 2011 \$'000	31 Dec 2010 \$'000
Trade payables	405,370	264,580	444,811
Goods and services tax (GST) payable	27,048	8,324	18,467
Other creditors and accruals	18,463	8,284	13,132
Deferred income	<u>33,960</u>	<u>20,414</u>	<u>31,027</u>
	<u>484,841</u>	<u>301,602</u>	<u>507,437</u>

4 Non-current liabilities - Borrowings

	31 Dec 2011 \$'000	30 Jun 2011 \$'000	31 Dec 2010 \$'000
Secured			
Bank loans (i)	103,504	232,582	34,574

(i) Secured by a fixed and floating charge over the Group's assets, the current market value of which exceeds the value of the loan.

5 Earnings per share

	31 Dec 2011 Cents	31 Dec 2010 Cents
Basic earnings per share	80.67	80.64
Diluted earnings per share	80.49	80.04

(a) Reconciliations of earnings used in calculating earnings per share

	31 Dec 2011 \$'000	31 Dec 2010 \$'000
<i>Basic earnings per share</i>		
Profit for the year	79,637	87,859
<i>Diluted earnings per share</i>		
Profit for the year	79,637	87,859

(b) Weighted average number of shares used as the denominator

	31 Dec 2011 No. '000	31 Dec 2010 No. '000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	98,719	108,952
Adjustments for calculation of diluted earnings per share:		
Options	216	823
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	98,935	109,775

The reduction in the weighted average number of ordinary shares from 31 December 2010 to 31 December 2011 is a result of the share buy-back completed in May 2011. Refer JB Hi-Fi Limited 30 June 2011 annual report for full details of the share buy-back and the impact on ordinary shares for the year ended 30 June 2011.

Details of movements in ordinary shares during the current and prior half-year reporting periods are set out in note 8.

(c) Information concerning the classification of securities

Options

Options granted to employees under the employee and executive share plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

6 Dividends

	Half-year ended	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000

(a) Recognised amounts

Final dividend of 29.0 cents (2010 - 33.0 cents) per share:

Franked to 100% at 30% (2010: 100% at 30%)	28,599	35,934
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(b) Dividends not recognised at the end of the half-year

Interim dividend of 49.0 cents (2010 - 48.0 cents) per share:

Franked to 100% at 30% (2010: 100% at 30%)	48,428	52,427
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In respect of the half-year ended 31 December 2011, the directors have recommended the payment of an interim dividend of 49.0 cents per share franked to 100% at 30% corporate income tax rate. The record date is 23 February 2012.

7 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic and operating decisions.

The Chief Executive Officer considers the business primarily from a geographic perspective. On this basis management has identified two reportable segments, Australia and New Zealand. The Chief Executive Officer monitors the performance of these two geographic segments separately. The Group does not operate in any other geographic segment.

(b) Segment information provided to the Chief Executive Officer

The segment information provided to the Chief Executive Officer for the reportable segments for the half-year ended 31 December 2011 is as follows:

31 Dec 2011	Australia \$'000	New Zealand \$'000	Total \$'000
Revenue from external customers	1,677,286	97,443	1,774,729
Operating EBITDA	133,436	2,670	136,106
Total segment assets	827,593	60,695	888,288
31 Dec 2010	Australia \$'000	New Zealand \$'000	Total \$'000
Revenue from external customers	1,606,500	76,134	1,682,634
Operating EBITDA	140,353	(63)	140,290
Total segment assets	915,854	61,407	977,261

7 Segment information (continued)

(i) Operating EBITDA

The Chief Executive Officer assesses the performance of the operating segments based on a measure of Operating EBITDA. This measurement basis excludes the effects of interest revenue, finance costs, income tax, depreciation and amortisation, and non-operating intercompany charges.

A reconciliation of consolidated Operating EBITDA to profit before income tax is provided as follows:

	Half-year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Operating EBITDA	136,106	140,290
Interest revenue	288	1,205
Finance costs	(7,215)	(2,611)
Depreciation and amortisation expense	(15,369)	(13,319)
Profit before income tax from continuing operations	<u>113,810</u>	<u>125,565</u>

8 Issuances, repurchases and repayments of equity securities

During the half-year reporting period, the Company issued 302,880 (2010: 878,958) ordinary shares for \$3,345 thousand (2010: \$7,900 thousand) on exercise of 302,880 (2010: 878,958) share options issued under its executive share option plan.

The Company issued 1,013,366 share options (2010: 851,364) over ordinary shares under its executive share option plan during the half-year reporting period.

9 Events occurring after the reporting period

On 13 February 2012, the directors declared an interim dividend for the half-year ended 31 December 2011, as set out in note 5.

Other than outlined above, there have been no matters or circumstances occurring subsequent to the end of the half-year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.