

MARKET RELEASE TRADING UPDATE TO 30 SEPTEMBER 2017

HIGHLIGHTS

- The Group increased revenue 7.8% for the three months to 30 September 2017, with same store sales growth of 3.5%
- The Michael Hill brand delivered total store sales growth of 7.4% and same store sales growth of 3.8%
- Michael Hill same store sales grew 4.2% in Australia, 5.1% in New Zealand and 7.6% in Canada, an acceleration on the previous period which is a key driver of Group performance
- The Emma & Roe brand achieved total store sales growth of 27.4%
- The Canadian store roll out continued strongly with six new store openings during the period
- Ten Michael Hill stores and one Emma & Roe store were opened during the period giving a total of 343 stores trading as at 30 September 2017. This was made up of 313 Michael Hill stores and 30 Emma & Roe stores
- There are plans to open three Michael Hill stores in Australia and one Michael Hill store in Canada during the December quarter

GROUP SALES

Revenue from the sale of goods and services for the 3 months to 30 September 2017:

The following figures are in Australian dollars

	Last Year	This Year	% Var
Michael Hill same stores	115,873,216	120,301,478	3.8%
Emma & Roe same stores	2,695,615	2,364,590	(12.3%)
Total same stores	\$118,568,831	\$122,666,068	3.5%
Michael Hill all stores	118,153,813	126,851,558	7.4%
Emma & Roe all stores	2,739,943	3,491,729	27.4%
Total all stores	\$120,893,756	\$130,343,287	7.8%

Exchange rates used for the 3 months:

New Zealand	1.05	1.09
Canada	0.99	0.99
United States	0.76	0.79

MICHAEL HILL

- The Australian segment achieved solid same store sales growth of 4.2% for the period. Three new stores opened in Australia, giving a total of 169 open at the end of September. There are three stores planned to open during the December quarter, including a flagship store in George Street, Sydney.
- The New Zealand segment started the year with a strong same stores lift of 5.1% for the three months. One store was opened during the period, giving 53 stores trading at 30 September.
- Canada continued to perform well with same store sales growth of 7.6%, and total store sales growth of 22.0%. Six stores were opened during the period giving a total of 82 at the end of September. The pace of further openings will be dictated to a large extent by availability of high quality sites.
- Our US business continued to struggle and finished 9.0% down for the quarter. A focus remains on this segment as we continue to search for the right formula for success in this large jewellery market and management are monitoring the segment's progress closely.

In Australian dollars, the Michael Hill brand reported same store sales growth of 3.8% for the year. Ten new Michael Hill stores opened during the period, with 313 Michael Hill stores trading at 30 September.

Michael Hill same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	67,194,000	70,024,730	4.2%
New Zealand same stores	NZD	24,246,840	25,482,403	5.1%
Canada same stores	CAD	21,497,132	23,137,192	7.6%
United States same stores	USD	2,848,428	2,591,026	(9.0%)

Michael Hill all stores figures in local currency		Last Year	This Year	% Var
Australia all stores	AUD	68,808,333	72,902,552	6.0%
New Zealand all stores	NZD	24,388,600	25,843,592	6.0%
Canada all stores	CAD	21,774,783	26,568,807	22.0%
United States all stores	USD	3,037,937	2,589,615	(14.8%)

EMMA & ROE

Emma & Roe had total sales growth of 27.4% with same store sales declining 12.3% for the period. One new store was opened bringing the total stores to 30. The Company is in the final stages of a brand and store portfolio review to ensure it is positioned to the best advantage for the future.

Emma & Roe same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	2,564,777	2,255,880	(12.0%)
New Zealand same stores	NZD	137,194	117,178	(14.6%)

Emma & Roe all stores figures in local currency		Last Year	This Year	% Var
Australia all stores	AUD	2,609,105	3,383,019	29.7%
New Zealand all stores	NZD	137,194	117,178	(14.6%)

The above figures for Michael Hill and Emma & Roe represent two months accounting adjusted sales results plus September preliminary sales figures prior to final accounting adjustments, and are unaudited. Revenue figures stated above include the Professional Care Plan (PCP) revenue brought to income during the period and sales through our store and online channels. The PCP income recognition pattern is based on existing estimates and is subject to ongoing management review and adjusted at half year/year end as required.

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ABOUT MICHAEL HILL INTERNATIONAL

Michael Hill International was founded by Sir Michael Hill in 1979 when he opened his first jewellery store in Whangarei, New Zealand. The Group currently has 343 stores globally with 313 Michael Hill stores in Australia, New Zealand, Canada and the US, and 30 Emma & Roe stores in Australia and New Zealand. The Group's global headquarters, including its wholesale and manufacturing divisions, are located in Brisbane, Australia. The Company is listed on the ASX (ASX:MHJ) and the NZX (NZX:MHJ).

For more information:

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