

MARKET RELEASE TRADING UPDATE TO 30 JUNE 2018

HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2018

- Group revenue increased 3.3% for the year ended 30 June 2018, with same store sales growing by 0.4%.
- The Michael Hill brand, excluding the US, delivered total store sales growth of 4.1% and same store sales growth of 0.3%.
- Michael Hill same store sales improved 2.2% in New Zealand and by 3.5% in Canada, while Australian same store sales declined by 0.9%.
- 17 stores were opened and 5 under-performing stores were closed within our core Michael Hill segments during the year. In addition, 9 Michael Hill US stores and 24 Emma & Roe stores were closed as part of the Company's strategic refocusing on our core business. There were 312 stores trading as at 30 June 2018, comprising 306 Michael Hill stores and 6 Emma & Roe stores (which have been announced as closing in the coming months).
- eCommerce sales (included in the segment numbers below) increased by 61.9% to \$11.1m for the year and represent 1.9% of total sales for the Group.

GROUP SALES

Revenue from the sale of goods and services for the 12 months to 30 June 2018:

The following figures are in Australian dollars	Last Year	This Year	% Var
Michael Hill same stores, excluding United States	523,636,436	525,385,367	0.3%
Emma & Roe same stores	5,564,727	5,734,206	3.0%
Total same stores	\$529,201,163	\$531,119,573	0.4%
Michael Hill all stores, excluding United States	548,698,348	571,230,099	4.1%
United States all stores	16,152,198	11,542,634	(28.5%)
Emma & Roe all stores	15,448,159	16,931,497	9.6%
Total all stores	\$580,298,705	\$599,704,230	3.3%

Exchange rates used for the 12 months:

New Zealand	1.06	1.09
Canada	1.00	0.98
United States	0.75	0.78

MICHAEL HILL

- Australia finished the year with total stores sales up 1.1% on last year and 0.9% down for same store sales. Seven new stores opened in Australia during the year and two closed, giving a total of 171 stores trading at year end. An announcement was made in June detailing the splitting of the Australian segment into two separate retail management regions. This decision was made to specifically address the challenging retail conditions and recognising the opportunity for further growth in our Australian revenue and profitability.
- The New Zealand segment continued to perform solidly with same store sales lifting 2.2% for the year. Two stores were opened during the period and two closed, giving a total of 52 stores trading at year end.
- Canada continues to achieve steady growth with same store sales growth of 3.5% for the year and total store sales growth of 15.5% for the year. Eight stores were opened during the period and one closed, giving a total of 83 stores trading at year end. The pace of further openings will be dictated to a large extent by the availability of suitable locations and satisfactory lease terms.
- The Company has now completed the exit of all nine stores in the US

In Australian dollars, the continuing operations for the Michael Hill brand (excluding United States stores) reported same store sales growth of 0.3% for the period. 17 new Michael Hill stores opened during the year, five underperforming stores closed, with 306 Michael Hill stores trading at year end.

Michael Hill same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	306,746,646	303,835,178	(0.9%)
New Zealand same stores	NZD	119,221,170	121,790,090	2.2%
Canada same stores	CAD	103,762,491	107,381,825	3.5%
Michael Hill all stores figures in local currency				
Australia all stores	AUD	321,981,403	325,455,307	1.1%
New Zealand all stores	NZD	121,968,393	125,067,793	2.5%
Canada all stores	CAD	110,990,606	128,196,364	15.5%
United States all stores	USD	12,156,436	8,961,623	(26.3%)

EMMA & ROE

Total sales growth for the brand was 9.6% for the year with same store sales growth of 3.0%. Emma & Roe results during the second half of the year have been negatively impacted by the announcement to reduce the brand's store footprint by 24 stores. The Company has now completed the exit of the initial 24 Emma & Roe stores identified for closure. Further, on 21 June 2018, the Company announced the planned closure of the remaining six Emma & Roe stores following a review of the Group's strategic focus and priorities. Additional details regarding the closure of the six remaining stores will be announced by the Company in the coming months as appropriate and in accordance with the Company's disclosure obligations.

Emma & Roe same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	5,564,727	5,734,206	3.0%
Emma & Roe all stores figures in local currency				
Australia all stores	AUD	14,842,460	16,411,684	10.6%
New Zealand all stores	NZD	638,118	565,039	(11.5%)

The above figures for Michael Hill and Emma & Roe represent eleven months accounting adjusted sales results plus June 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 over 300 stores globally in Australia, New Zealand and Canada. 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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