

# Michael Hill International Limited

## 6 months trading update and profit guidance to 31 December 2010

Note that these figures represent 5 months accounting adjusted sales results plus December preliminary sales figures prior to final accounting adjustments and are unaudited.

<b>The following figures are in NZ Dollars</b>	<b>Last Year</b>	<b>This Year</b>	<b>% Var</b>
Australia same stores	161,031,912	177,189,141	10.0%
NZ same stores	52,407,471	55,569,375	6.0 %
Canada same stores	19,297,061	22,370,819	15.9%
United States same stores	<u>4,754,660</u>	<u>5,708,264</u>	<u>20.1%</u>
<b>Total same stores</b>	<b>\$237,491,104</b>	<b>\$260,837,599</b>	<b>9.8%</b>
Australia all stores	163,649,938	180,852,242	10.5%
NZ all stores	52,407,638	56,068,238	7.0%
Canada all stores	21,009,545	26,144,274	24.4%
United States all stores	<u>7,452,590</u>	<u>5,657,366</u>	<u>-24.1% *</u>
<b>Total all stores</b>	<b>\$244,519,711</b>	<b>\$268,722,120</b>	<b>9.9%</b>

\*There were 17 stores trading in the US last year compared to 9 stores this year due to the closure of 8 stores in June 2010

#### **Exchange rates used for the 6 months:**

Australia	0.81	0.78
Canada	0.77	0.77
USA	0.72	0.75

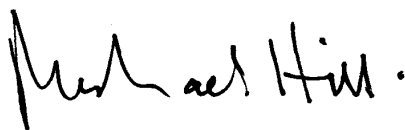
<b>The following figures are in local currency</b>		<b>Last Year</b>	<b>This Year</b>	<b>% Var</b>
Australia same stores	AUD	130,699,306	138,311,690	5.8%
NZ same stores	NZD	52,407,471	55,569,375	6.0%
Canada same stores	CAD	14,917,414	17,178,218	15.2%
United States same stores	USD	1,116,038	1,410,333	26.4%
Australia all stores	AUD	132,818,461	141,147,564	6.3%
NZ all stores	NZD	52,407,638	56,068,238	7.0%
Canada all stores	CAD	16,247,986	20,076,315	23.6%
United States all stores	USD	5,331,736	4,237,858	-20.5% *

\*There were 17 stores trading in the US last year compared to 9 stores this year due to the closure of 8 stores in June 2010

#### **Comments**

Sales in the second quarter including the key Xmas trading period held up well with “same store” growth of 7.7% achieved for the quarter giving the group a “same stores” improvement in sales of 9.8% for the half. The directors are especially pleased to see sales in Canada and the United States bounce back after tough trading conditions since late 2007, however retail conditions remain difficult in North America. Half year EBIT for the group is expected to be in the range of \$32m to \$34m compared to \$30.3m for the corresponding period last year.

The full half year results for the 6 months ending 31 December 2010 are due to be released to the NZX on the 17th February, 2011.



R.M. Hill      13/01/11  
Chairman

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