

# Michael Hill International Limited

## 3 months trading update to 30 September 2013

The below figures represent 2 months accounting adjusted sales results plus September preliminary sales figures prior to final accounting adjustments and are unaudited. Same stores and all stores revenue figures stated below include the Professional Care Plan (PCP) revenues brought to income during the period. The PCP income recognition pattern is based on existing estimates and subject to ongoing management reviews and accordingly may be adjusted at half year and year end. The prior period PCP revenue stated below is included at the estimated amounts under the income recognition pattern used and reported on at the time.

In line with the market announcement on 3 October 2013, the Group numbers below are reported in Australian dollars.

### Revenue from the sale of goods and services for the 3 months to 30 September 2013:

The following figures are in Australian dollars	Last Year	This Year	% Var
Australia same stores	59,543,829	60,183,650	1.1%
New Zealand same stores	17,628,665	18,517,320	5.0%
Canada same stores	9,399,281	10,818,542	15.1%
United States same stores	<u>1,775,706</u>	<u>2,155,811</u>	<u>21.4%</u>
<b>Total same stores</b>	<b>\$88,347,481</b>	<b>\$91,675,323</b>	<b>3.8%</b>
Australia all stores	61,369,042	64,718,588	5.5%
New Zealand all stores	17,661,287	18,559,669	5.1%
Canada all stores	9,580,949	13,049,267	36.2%
United States all stores	<u>1,983,014</u>	<u>2,152,814</u>	<u>8.6%</u>
<b>Total all stores</b>	<b>\$90,594,292</b>	<b>\$98,480,338</b>	<b>8.7%</b>

### Exchange rates used for the 3 months:

New Zealand	1.28	1.15
Canada	1.03	0.95
United States	1.04	0.92

The following figures are in local currency		Last Year	This Year	% Var
Australia same stores	AUD	59,543,829	60,183,650	1.1%
New Zealand same stores	NZD	22,623,440	21,228,962	(6.2%)
Canada same stores	CAD	9,710,436	10,284,027	5.9%
United States same stores	USD	1,841,461	1,973,756	7.2%
Australia all stores	AUD	61,369,042	64,718,588	5.5%
New Zealand all stores	NZD	22,665,410	21,277,326	(6.1%)
Canada all stores	CAD	9,895,766	12,406,901	25.4%
United States all stores	USD	2,056,816	1,971,011	(4.2%) *

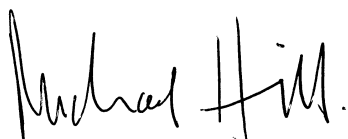
\* One store was closed in June 2013 hence the fall in revenue for "all stores"

### Revenue from sale of Professional Care Plans for the 3 months to 30 September 2013:

The following figures are in Australian dollars	Last Year	This Year	% Var
PCP revenue collected	\$5,069,333	\$6,676,219	31.7%
PCP revenue brought to income	\$1,800,150	\$3,929,059	118.3%

The Group achieved solid growth for the quarter finishing 3.8% up on last year for the same stores. Australia traded slightly up on the same quarter last year while Canada and the US continue to show good growth on a same store basis. Our New Zealand stores were unable to maintain the momentum shown in prior quarters and ended the period 6.2% down on the prior period.

Cash flow remains strong and our Professional Care Plan product continues to deliver good cash flow to the business and is now also contributing solidly to the Group's overall results. The revenue from these plans is carried on the balance sheet as deferred revenue and is then brought to income over the life of the plans (3 year plans, and lifetime plans which are assigned 10 year notional life for income recognition purposes).



Sir Michael Hill 11 October 2013  
Chairman

All enquiries should be made to Mike Parsell CEO phone +61 403 246655