

Michael Hill International Limited

12 months trading update to 30 June 2014

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

The Group achieved growth of 5.0% for the 12 months for the same stores in AUD. Australia traded 0.8% up on the same period last year in local currency while Canada experienced strong growth finishing 10.1% up for the half. Our New Zealand store performance improved in the June quarter with a 2.5% increase over the corresponding period but finished 1.9% down on last year for the 12 months in local currency. The US business performed solidly with same stores finishing 5.8% up for the year.

Revenue from the sale of goods and services for the 12 months to 30 June 2014 including PCP income:

The following figures are in Australian dollars	Last Year	This Year	% Var
Australia same stores	271,546,132	273,773,682	0.8%
New Zealand same stores	88,510,273	98,331,122	11.1%
Canada same stores	45,797,740	53,019,510	15.8%
United States same stores	<u>7,403,849</u>	<u>8,767,804</u>	<u>18.4%</u>
Total same stores	\$413,257,994	\$433,892,118	5.0%
Australia all stores	289,333,164	302,058,677	4.4%
New Zealand all stores	89,203,882	99,476,649	11.5%
Canada all stores	51,438,247	70,425,250	36.9%
United States all stores	<u>10,006,731</u>	<u>10,881,350</u>	<u>8.7%</u>
Total all stores	\$439,982,024	\$482,841,926	9.7%

Exchange rates used for the 12 months:

New Zealand	1.25	1.10
Canada	1.03	0.98
United States	1.03	0.92

The following figures are in local currency

		Last Year	This Year	% Var
Australia same stores	AUD	271,546,132	273,773,682	0.8%
New Zealand same stores	NZD	110,488,429	108,412,651	(1.9%)
Canada same stores	CAD	47,160,976	51,918,037	10.1%
United States same stores	USD	7,593,619	8,037,761	5.8%
Australia all stores	AUD	289,333,164	302,058,677	4.4%
New Zealand all stores	NZD	111,356,600	109,671,778	(1.5%)
Canada all stores	CAD	52,949,630	68,996,056	30.3%
United States all stores	USD	10,265,419	9,977,294	(2.8%)*

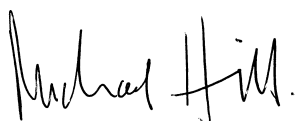
* One store was closed in June 2013 hence the fall in revenue for "all stores"

Revenue from sale of Professional Care Plans for the 12 months to 30 June 2014:

The following figures are in Australian dollars	Last Year	This Year	% Var
PCP revenue collected	\$26,520,120	\$31,718,986	19.6%
PCP revenue brought to income	\$13,185,476	\$19,954,389	51.3%

Our Professional Care Plan revenue 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 a 10 year notional life for income recognition purposes).

The above figures represent 11 months accounting adjusted sales results plus June preliminary sales figures prior to final accounting adjustments and are unaudited. Same stores and all stores revenue figures stated above include the Professional Care Plan (PCP) revenues brought to income during the period. The PCP income recognition pattern is based on existing estimates and is subject to ongoing management review, and accordingly may be adjusted at year end. The prior period PCP revenue stated above is included at the estimated amounts under the income recognition pattern used and reported on at the time.



Sir Michael Hill 8 July 2014

Chairman

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