

# Michael Hill International Limited

## 3 months sales to 30 September 2009

There was an error included in the Australian all stores local currency figures released on the 12/10/09. The figure for the current year for Australian all stores in local currency should have been 47,366,592 and not 44,629,614. This represents a 6.2% increase over last year. The full corrected announcement is set below.

Note that these figures represent 2 months accounting adjusted sales results plus September preliminary sales figures prior to final accounting adjustments.

<b>The following figures are in NZ Dollars</b>	<b>Last Year</b>	<b>This Year</b>	<b>% Var</b>
Australia same stores	54,425,437	54,549,745	0.2%
NZ same stores	17,116,816	17,213,705	0.6%
Canada same stores	<u>5,924,829</u>	<u>5,411,957</u>	<u>-8.7%</u>
<b>Total same stores</b>	<b>\$77,467,082</b>	<b>\$77,175,407</b>	<b>-0.4%</b>
Australia all stores	55,544,626	57,813,369	4.1%
NZ all stores	17,281,945	17,457,717	1.0%
Canada all stores	6,203,643	6,714,572	8.2%
USA all stores	<u>563,255</u>	<u>2,646,078</u>	<u>369.8%</u>
<b>Total all stores</b>	<b>\$79,593,469</b>	<b>\$84,631,736</b>	<b>6.3%</b>

### **Exchange rates used for the 3 months:**

Australia	0.80	0.82
Canada	0.74	0.76
USA	0.68	0.68

<b>The following figures are in local currency</b>		<b>Last Year</b>	<b>This Year</b>	<b>% Var</b>
Australia same stores	AUD	43,705,881	44,694,557	2.3%
NZ same stores	NZD	17,116,816	17,213,705	0.6%
Canada same stores	CAD	4,408,205	4,090,785	-7.2%
Australia all stores	AUD	44,606,533	<b>47,366,592</b>	6.2%
NZ all stores	NZD	17,281,945	17,457,717	1.0%
Canada all stores	CAD	4,614,850	5,079,001	10.1%
USA all stores	USD	380,929	1,798,842	372.2%

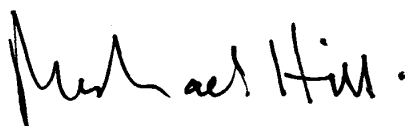
### **Comments**

Australia has traded well for the first quarter with sales up 2.3% on same stores. Margins were slightly weaker due to discounting in the category.

In New Zealand, sales were weak in July but rebounded showing good growth in August and September. Same store sales were up 0.6%. Margins in NZ were also slightly lower due to promotional activity to drive sales and the increased use of consumer credit plans.

North America continues to be challenging with Canada struggling for most of the quarter. The ongoing US economic conditions have also dampened consumer confidence in Canada with same store sales down 7.2%. We are not expecting this will materially improve in the next quarter.

In the US the clearance of Whitehall's merchandise has largely been completed and margins are now improving. Reaching levels of revenue sufficient to be profitable is still some way off and not expected in the short term. The economic situation in the US continues to be difficult with the latest unemployment figures still rising. The company is focused on improving the US business and up to three stores should be refurbished in the new store look prior to Christmas.



R.M. Hill 12/10/09  
Chairman

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