

Michael Hill International Limited

9 months trading update to 31 March 2014

The below figures represent 8 months accounting adjusted sales results plus March 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 is subject to ongoing management review, 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 9 months to 31 March 2014:

The following figures are in Australian dollars	Last Year	This Year	% Var
Australia same stores	211,412,169	214,471,934	1.4%
New Zealand same stores	68,118,079	75,230,422	10.4%
Canada same stores	35,165,461	41,121,439	16.9%
United States same stores	<u>6,661,030</u>	<u>7,811,137</u>	<u>17.3%</u>
Total same stores	\$321,356,739	\$338,634,932	5.4%
Australia all stores	221,908,804	233,942,800	5.4%
New Zealand all stores	68,683,574	76,094,916	10.8%
Canada all stores	38,818,291	54,188,760	39.6%
United States all stores	<u>7,402,814</u>	<u>7,854,362</u>	<u>6.1%</u>
Total all stores	\$336,813,483	\$372,080,838	10.5%

Exchange rates used for the 9 months:

New Zealand	1.26	1.11
Canada	1.04	0.97
United States	1.04	0.91

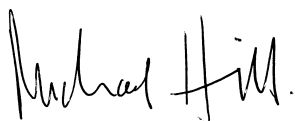
The following figures are in local currency		Last Year	This Year	% Var
Australia same stores	AUD	211,412,169	214,471,934	1.4%
New Zealand same stores	NZD	85,912,526	83,425,502	(2.9%)
Canada same stores	CAD	36,416,661	39,827,275	9.4%
United States same stores	USD	6,919,569	7,115,597	2.8%
Australia all stores	AUD	221,908,804	233,942,800	5.4%
New Zealand all stores	NZD	86,626,040	84,381,393	(2.6%)
Canada all stores	CAD	40,202,597	52,496,986	30.6%
United States all stores	USD	7,690,290	7,154,643	(7.0%)

Revenue from sale of Professional Care Plans for the 9 months to 31 March 2014:

The following figures are in Australian dollars	Last Year	This Year	% Var
PCP revenue collected	\$19,957,267	\$24,468,462	22.6%
PCP revenue brought to income	\$6,611,830	\$13,182,766	99.4%

The Group achieved steady growth for the 9 months finishing 5.4% up on last year for the same stores in AUD. This result was helped by the weakening of the AUD against the other 3 currencies during the period.

Our Professional Care Plan product continues to deliver strong 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 a 10 year notional life for income recognition purposes).



Sir Michael Hill 08 April 2014
Chairman

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