

## MARKET RELEASE TRADING UPDATE TO 31 MARCH 2018

### KEY POINTS

- Group revenue increased 4.5% for the nine months to 31 March 2018, with same store sales growing by 0.4%.
- The Michael Hill brand, excluding the US, delivered total store sales growth of 4.9% and same store sales growth of 1.0%.
- Michael Hill same store sales improved 3.7% in New Zealand and by 4.1% in Canada, while Australian same store sales declined by 0.3%.
- 15 Michael Hill stores and one Emma & Roe store were opened during the period, giving a total of 344 stores trading at 31 March 2018 made up of 314 Michael Hill stores and 30 Emma & Roe stores. Four underperforming Michael Hill stores have been closed during the period.
- eCommerce sales (included in the segment numbers below) increased by 62.8% to \$8.2m for the period and represents 1.8% of total sales for the Group.

### GROUP SALES

Revenue from the sale of goods and services for the 9 months to 31 March 2018:

The following figures are in Australian dollars	Last Year	This Year	% Var
Michael Hill same stores, excluding United States	405,848,264	409,729,538	1.0%
United States same stores	11,885,591	10,232,960	(13.9%)
Emma & Roe same stores	9,947,280	9,369,345	(5.8%)
Total same stores	\$427,681,135	\$429,331,843	0.4%
Michael Hill all stores, excluding United States	421,137,201	441,583,251	4.9%
United States all stores	12,430,586	10,230,220	(17.7%)
Emma & Roe all stores	11,763,550	13,681,671	16.3%
Total all stores	\$445,331,337	\$465,495,142	4.5%

Exchange rates used for the 9 months:

New Zealand	1.05	1.09
Canada	0.99	0.98
United States	0.75	0.78

### MICHAEL HILL

- Australian same store sales closed the period 0.3% down for same store sales. Six new stores opened in Australia during the previous nine months, giving a total of 171 stores trading at 31 March.
- The New Zealand segment continued to perform solidly with same store sales lifting 3.7% for the nine months. Two stores were opened during the period, giving a total of 52 stores trading at 31 March.
- Canada continues to achieve steady growth with same store sales growth of 4.1% for the period and total store sales growth of 17.0%. Seven stores were opened during the period, giving a total of 82 stores trading at the end of March. The pace of further openings will be dictated to a large extent by the availability of suitable locations and satisfactory lease terms.
- As previously announced, the Company is currently in the process of exiting the loss-making retail operations in the US.

In Australian dollars, the continuing operations for the Michael Hill brand (excluding United States stores) reported same store sales growth of 1.0% for the period. 15 new Michael Hill stores opened during the period, with 314 Michael Hill stores trading at 31 March.

Michael Hill same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	238,707,737	238,069,472	(0.3%)
New Zealand same stores	NZD	91,740,082	95,164,541	3.7%
Canada same stores	CAD	79,598,835	82,895,136	4.1%
United States same stores	USD	8,953,480	7,958,746	(11.1%)

Michael Hill all stores figures in local currency		Last Year	This Year	% Var
Australia all stores	AUD	248,532,163	252,728,984	1.7%
New Zealand all stores	NZD	92,907,583	96,948,421	4.3%
Canada all stores	CAD	83,939,477	98,192,166	17.0%
United States all stores	USD	9,364,464	7,956,618	(15.0%)

## EMMA & ROE

Total sales growth for the brand was 16.3% for the period with same store sales declining 5.8%. Emma & Roe results during the third quarter have been negatively impacted by the announcement to reduce the brand's store footprint. The Company continues to work through repositioning the brand in the demi-fine jewellery segment. Additional details regarding the brand repositioning will be announced by the Company as appropriate and in accordance with its disclosure obligations.

Emma & Roe same store figures in local currency		Last Year	This Year	% Var
Australia same stores	AUD	9,458,261	8,943,468	(5.4%)
New Zealand same stores	NZD	514,023	464,198	(9.7%)

Emma & Roe all stores figures in local currency		Last Year	This Year	% Var
Australia all stores	AUD	11,274,531	13,255,794	17.6%
New Zealand all stores	NZD	514,023	464,198	(9.7%)

The above figures for Michael Hill and Emma & Roe represent eight months accounting adjusted sales results plus March preliminary sales figures prior to final accounting adjustments, and are unaudited. Revenue figures stated above include the Professional Care Plan (PCP) revenue brought to income during the period and sales through our store and online channels. The PCP income recognition pattern is based on existing estimates and is subject to ongoing management review and adjusted at half year/year end as required.

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## ABOUT MICHAEL HILL INTERNATIONAL

Michael Hill International was founded by Sir Michael Hill in 1979 when he opened his first jewellery store in Whangarei, New Zealand. The Group currently has 344 stores globally with 314 Michael Hill stores in Australia, New Zealand, Canada and the US, and 30 Emma & Roe stores in Australia and New Zealand. The Group's global headquarters, including its wholesale and manufacturing divisions, are located in Brisbane, Australia. The Company is listed on the ASX (ASX:MHJ) and the NZX (NZX:MHJ).

For more information:

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