

# Michael Hill International Limited

## 9 months trading update to 31 March 2015

The Group achieved same store sales growth of 0.9% for the 9 months in AUD. In local currency, New Zealand continued to trade well and was 4.8% up on the same period last year while Canada finished 2.9% up for the 9 months. The US achieved good growth of 7.2%, but Australia continued to be a difficult market for the Group and sales were 2.1% down on the prior period. This decline in our key market will put pressure on our full year result but there is still a full quarter to go and management are focused on correcting this downward trend. The company opened 11 Michael Hill stores during the 9 months and closed 2 taking total stores to 287 Michael Hill stores and lifting total revenue by 3.5%.

As mentioned in the 2014 Annual Report, the Group is continuing to refine and test the Emma & Roe retail model and consequently this trading update does not include financial information for the Emma & Roe stores. 2 additional Emma & Roe stores opened during the period taking the total to 8 stores.

### Revenue from the sale of goods and services for Michael Hill Stores for the 9 months to 31 March 2015 including PCP income:

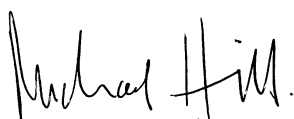
| The following figures are in Australian dollars | Last Year            | This Year            | % Var        |
|---|----------------------|----------------------|--------------|
| Australia same stores                           | 225,608,604          | 220,831,842          | (2.1%)       |
| New Zealand same stores                         | 75,166,146           | 81,133,944           | 7.9%         |
| Canada same stores                              | 48,046,317           | 48,989,510           | 2.0%         |
| United States same stores                       | <u>6,487,422</u>     | <u>7,463,742</u>     | <u>15.0%</u> |
| <b>Michael Hill same stores</b>                 | <b>\$355,308,489</b> | <b>\$358,419,038</b> | <b>0.9%</b>  |
| Australia all stores                            | 231,188,358          | 228,908,556          | (1.0%)       |
| New Zealand all stores                          | 76,066,295           | 81,740,831           | 7.5%         |
| Canada all stores                               | 54,201,089           | 62,031,109           | 14.4%        |
| United States all stores                        | <u>7,854,051</u>     | <u>9,605,783</u>     | <u>22.3%</u> |
| <b>Michael Hill all stores</b>                  | <b>\$369,309,793</b> | <b>\$382,286,279</b> | <b>3.5%</b>  |

### Exchange rates used for the 9 months:

|               |      |      |
|---------------|------|------|
| New Zealand   | 1.11 | 1.08 |
| Canada        | 0.97 | 0.98 |
| United States | 0.91 | 0.85 |

| The following figures are in local currency |     | Last Year   | This Year   | % Var  |
|---|-----|-------------|-------------|--------|
| Australia same stores                       | AUD | 225,608,604 | 220,831,842 | (2.1%) |
| New Zealand same stores                     | NZD | 83,357,109  | 87,365,580  | 4.8%   |
| Canada same stores                          | CAD | 46,535,538  | 47,894,207  | 2.9%   |
| United States same stores                   | USD | 5,910,859   | 6,339,155   | 7.2%   |
| Australia all stores                        | AUD | 231,188,358 | 228,908,556 | (1.0%) |
| New Zealand all stores                      | NZD | 84,350,976  | 88,018,547  | 4.3%   |
| Canada all stores                           | CAD | 52,509,316  | 60,627,499  | 15.5%  |
| United States all stores                    | USD | 7,154,401   | 8,171,954   | 14.2%  |

The above figures represent 8 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. 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 included in the results above is at the estimated amounts under the income recognition pattern used and reported on at the time.



Sir Michael Hill 9 April 2015

Chairman

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