

Michael Hill International Limited

Profit Guidance to 31 December 2006.

26 January 2007

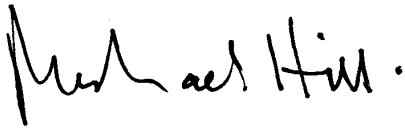
Net Profit after tax for the 6 months ended 31 December 2006 is now expected to be in the range of \$15.000m to \$15.700m (\$11.701m last years comparable period result. The full year result for 05/06 was \$15.774m).

The Group enjoyed a better than expected Xmas trading period which has impacted well on the bottom line.

Same store sales for the 6 months in NZ dollars were 11.1% up on the previous corresponding period.

The company expects to release its half year result on Friday 23 February 2007.

This announcement is made in accordance with the continuous disclosure requirements of the NZX.

A handwritten signature in black ink that reads "Michael Hill." The signature is fluid and cursive, with a period at the end.

R.M. Hill 26/01/07
Chairman

All enquiries to Mike Parsell, CEO 0061 403246655