

# Michael Hill International Limited

## 6 months trading update to 31 December 2014

The Group achieved same store sales growth of 0.8% for the 6 months in AUD. In local currency, New Zealand stores traded 4.1% up on the same period last year while Canada continued to experience solid growth finishing 4.4% up for the half year. The US achieved strong growth finishing 9.1% up for the half year, however Australia continued to be a difficult market and same store sales were 2.1% down on the prior period. Eight new stores were opened during the period and one closed. There were 285 Michael Hill stores trading at 31 December 2014.

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.

As previously announced, the preliminary half year results for the 6 months ending 31/12/14 will be released to the NZX on Friday 13 February, 2015.

### Revenue from the sale of goods and services by Michael Hill Stores for the 6 months to 31 December 2014 including PCP income:

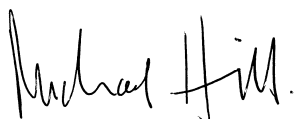
The following figures are in Australian dollars	Last Year	This Year	% Var
Australia same stores	166,574,835	163,086,147	(2.1%)
New Zealand same stores	53,620,694	57,597,391	7.4%
Canada same stores	35,347,063	36,241,877	2.5%
United States same stores	<u>4,552,888</u>	<u>5,196,566</u>	<u>14.1%</u>
<b>Michael Hill same stores</b>	<b>\$260,095,480</b>	<b>\$262,121,981</b>	<b>0.8%</b>
 Australia all stores	 169,768,935	 168,637,663	 (0.7%)
New Zealand all stores	54,229,441	58,045,868	7.0%
Canada all stores	39,392,160	45,857,387	16.4%
United States all stores	<u>5,485,837</u>	<u>6,785,933</u>	<u>23.7%</u>
<b>Michael Hill all stores</b>	<b>\$268,876,373</b>	<b>\$279,326,851</b>	<b>3.9%</b>

### Exchange rates used for the 6 months:

New Zealand	1.12	1.09
Canada	0.96	0.98
United States	0.92	0.88

The following figures are in local currency		Last Year	This Year	% Var
Australia same stores	AUD	166,574,835	163,086,147	(2.1%)
New Zealand same stores	NZD	60,257,625	62,751,477	4.1%
Canada same stores	CAD	33,979,844	35,477,740	4.4%
United States same stores	USD	4,175,820	4,557,542	9.1%
 Australia all stores	 AUD	 169,768,935	 168,637,663	 (0.7%)
New Zealand all stores	NZD	60,938,964	63,238,564	3.8%
Canada all stores	CAD	37,869,346	44,873,993	18.5%
United States all stores	USD	5,029,956	5,957,139	18.4%

The above figures represent 5 months accounting adjusted sales results plus December 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 January 2015  
Chairman

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