

9 MONTHS TRADING UPDATE TO 31 MARCH 2016

The Group achieved same store sales growth of 5.1% for the 9 months to 31 March 2016 in AUD

Michael Hill brand

The Australian market achieved growth of 3.5% for the nine months after a solid third quarter of trade. Our New Zealand business has continued to trade strongly and reported same store sales growth of 6.5% in local currency while Canada also performed well in the third quarter 5.8% up on last year. The US performed well during the quarter and recorded same store sales growth of 9.0% for the quarter and 2.9% up on last year for the nine months. Total store sales in the US were up 28.5% for all stores.

In Australian dollars, the Michael Hill brand reported same store sales growth of 4.8% for the nine months which was a pleasing result. There were eight new Michael Hill stores opened during the period giving 295 Michael Hill stores trading at the end of March.

Emma & Roe brand

Emma & Roe achieved same store sales growth of 39.9% for the nine months which is a solid result for this new brand. There were six new stores opened during the period giving 14 stores at the end of March. While the Group still considers the Emma & Roe brand to be in a trial phase there are plans to open a further two stores before the end of the financial year. The Directors are delighted with the continued improvement of this exciting new brand.

Revenue from the sale of goods and services for the 9 months to 31 March 2016 including PCP income:

The following figures are in Australian dollars

	Last Year	This Year	% Var
Michael Hill same stores	375,310,497	393,265,781	4.8%
Emma & Roe same stores	<u>3,150,716</u>	<u>4,407,842</u>	<u>39.9%</u>
Total same stores	\$378,461,213	\$397,673,623	5.1%
Michael Hill all stores	382,276,397	414,053,855	8.3%
Emma & Roe all stores	<u>3,623,061</u>	<u>6,775,631</u>	<u>87.0%</u>
Total all stores	\$385,899,458	\$420,829,486	9.1%

Exchange rates used for the 9 months:

New Zealand	1.08	1.09
Canada	0.98	0.97
United States	0.85	0.72

Michael Hill same store figures in local currency

		Last Year	This Year	% Var
Australia same stores	AUD	226,243,020	234,081,372	3.5%
New Zealand same stores	NZD	87,959,386	93,708,949	6.5%
Canada same stores	CAD	56,818,987	60,090,646	5.8%
United States same stores	USD	7,776,565	8,001,865	2.9%
Australia Emma & Roe same stores	AUD	3,150,716	4,407,842	39.9%

Michael Hill all stores figures in local currency

		Last Year	This Year	% Var
Australia all stores	AUD	228,907,516	238,700,793	4.3%
New Zealand all stores	NZD	88,001,759	93,711,873	6.5%
Canada all stores	CAD	60,632,411	72,430,397	19.5%
United States all stores	USD	8,173,292	10,499,389	28.5%
Australia Emma & Roe all stores	AUD	3,430,370	6,274,117	82.9%
New Zealand Emma & Roe all stores	NZD	205,626	545,694	165.4%

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 is adjusted at each year end.

Media & Investors:
Mike Parsell
Chief Executive Officer
+61 403 246655

Investors:
Phil Taylor
Chief Financial Officer
+61 413 709066