



**MERCHANT HOUSE  
INTERNATIONAL LIMITED**  
ARBN 065 681 138

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14 November 2013

**ASX Limited**

Dear Sir / Madam,

**RE: PROFIT FORECAST UPDATE**

Merchant House International Limited wishes to advise that the company is not expected to achieve its budgeted before tax profit for the 31 March 2014 year end of A\$2.74 million, as previously advised to the market.

The last 6 months has been a period of transition for both shoes and textiles as the Company seeks to upgrade to higher margin products with a more branded focus in the Company's merchandise assortment. Both shoes and textiles suffered some temporary loss of business as a result of this transition. This loss of business is a "one off" event and is not expected to affect the long term business of the Company.

As a result of these factors, the revised full year forecast before tax is A\$1.87 million.

The Company wishes to advise that plans are proceeding smoothly for the "re-shoring" of the footwear manufacturing division with the purchase and set up of the new factory in Tennessee, USA.

The Board has declared a 0.5 cents half year dividend, however have also declared a special 1.5 cent dividend as a result of the disposition of the Hong Kong corporate offices. The funds from the sale of these assets will be earmarked for future growth and development opportunities, and will not be used for day to day operational requirements.

Yours faithfully

**MERCHANT HOUSE INTERNATIONAL LIMITED**

**DAVID MCARTHUR**  
Company Secretary