



22 January 2016

New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
Wellington 6011

Notice pursuant to Listing Rule 7.12.1

In accordance with Listing Rule 7.12.1, Michael Hill International Limited (the “Company”) advises of the relevant details of the unlisted options to acquire ordinary shares it has issued today.

Class of security: Unlisted options to acquire ordinary shares in the Company (‘Options’).

ISIN: N/a

Number of securities issued: 400,000 Options

Nominal value and issue price: N/a

No consideration is payable for the issue of the Options.

Principal terms of the Securities: The Options have an exercise price of \$1.14 being a price which was 30% above the VWAP market price of the Company’s ordinary shares in the 20 business days following the announcement on 14 August 2015 of the Company’s results for the year to 30 June 2015 to NZX.

The Options are exercisable in the period immediately following the announcement of the Company’s annual financial results for the year ending 30 June 2020 through to 30 September 2025.

Whether payment in cash: N/a

Any amount paid up (if not in full): N/a

Percentage of total class issued: 3.2%

Reason for the issue: The Options were issued to officers of the Company on certain terms and conditions as a component of their remuneration packages.

Specific authority for the issue:

Board resolution pursuant to the Listing Rules.

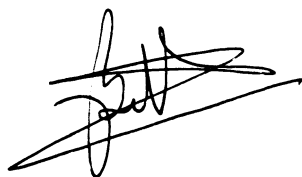
**Total number of securities of the
class in existence after issue**

12,550,000 Options

Date of issue:

22 January 2016

Yours faithfully

A handwritten signature in black ink, appearing to be 'W. K. Butler', written over a horizontal line.

W. K. Butler

Company Secretary