

Michael Hill International Limited

26th March 2007

Market Information Services Section
New Zealand Exchange
Wellington

SHARE BUYBACK PROGRAMME

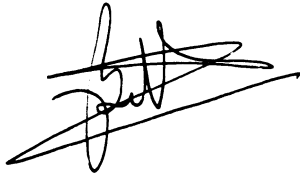
Michael Hill International Limited (“**MHI**”) announces that it will undertake an on-market buyback of up to 1.9 million of its ordinary shares. The share buyback will also be subject to the limit of its subscribed capital of \$13.858 million. The shares acquired will be cancelled.

The purpose of the buyback is to optimise the balance sheet structure and gearing ratios taking advantage of the current strong cash flow of the group.

Share purchases may occur from **30th** March 2007 and may continue for a period not exceeding 12 months from that date. However, it is the intention of the Board to expedite the buyback of shares within the current share trading windows for Directors and Officers that ends on 30th April 2007. Due to requirements under the Takeovers Code, it is the intention of the Hill family interests to participate in the buyback subject to price.

MHI will acquire its ordinary shares on the New Zealand Exchange.

Yours faithfully

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

Wayne Butler
Company Secretary