



asx announcement
30 December 2016

New home for Australia's iconic Hills Home Living business

The Board of Hills Limited (ASX: HIL) is pleased to advise that an agreement has been reached with AMES Australasia to take over the manufacture and sale of Hills Home Living (HHL) products.

The HHL business was previously operated by Woolworths Limited under a licensing arrangement which was recently terminated following the decision by Woolworths to exit its home improvement business and close its Masters stores.

Hills CEO, Mr David Lenz said today: "We have undertaken a comprehensive strategic review of the Hills Home Living (HHL) business and determined that it was not viable for Hills to resume the manufacture and sale of the HHL products.

"The Hills of today is a value added distributor of technology products and services and the Company is focused on delivering security and surveillance solutions, audio visual, IT, communications and health solutions. It is important that we remain focused on our core business activities," Mr Lenz said.

The transaction with AMES Australasia involves the sale of tooling equipment and trademarks not used by Hills in its core technology businesses and a commitment on the part of AMES to invest in the Hills Home Living brand.

Mr Lenz said Hills had decided that AMES Australasia, with established export markets and local infrastructure, offered the best possible future for the HHL business.

"Hills will work closely with AMES Australasia to ensure the successful transition of the HHL business directly from Woolworths," he said.

Mr Lenz said the completion of the AMES Australasia acquisition would maximise the value of the HHL business for Hills shareholders.

"The benefits of the HHL transition from Woolworths to AMES will result in an improvement in Hills' EBITDA for the first half of FY17 over the first half of FY16 and will more than offset weaker trading results from our Hills Building Technologies (HBT) business. Even with an improved second quarter for the HBT business this has not made up for the underperformance of the HBT business in the first quarter of FY17 as outlined at our AGM in November," he said.

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