



The Manager
Company Announcements
The Australian Securities Exchange Limited
Adelaide SA

Hills Holdings Limited
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www.hillsholdings.com.au

19 March 2013

Dear Sir,

Hills Holdings Limited – General Meeting

Pursuant to listing rule 3.17, I attach a final copy of the following documents despatched to shareholders today:

- (a) Letter to shareholders;
- (b) Notice of General Meeting; and
- (c) Proxy Form.

Yours faithfully,

Gai Stephens
Company Secretary



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18 March 2013

Dear fellow Shareholder

General Meeting of Hills Shareholders – 19 April 2013

As you will be aware, significant changes are being undertaken at Hills to ensure a brighter and more profitable future for your Company as it moves forward in the face of continuing challenges across the global economy and the international business landscape.

Shareholders will also be aware that the all-round eagerness to build a better performing and more futuristic Hills Group has been heightened following the Board's decision in September 2012 to appoint Mr Ted Pretty as our Managing Director and Chief Executive Officer.

As foreshadowed at the AGM in November last year, I have pleasure in inviting you to a General Meeting of shareholders to be held in Adelaide at Theatre Room B, The Adelaide Entertainment Centre, 98 Port Road, Hindmarsh on 19 April 2013 at 10.00 a.m. At the meeting our Managing Director, Mr Pretty will outline to you the progress we have made in implementing our restructuring and transformation initiatives and what you can expect to see for the remainder of the year and beyond. Mr Pretty will also provide an update on the new strategic objectives agreed with the Board at our recent strategic planning session in February.

Shareholders are also being asked to vote on a proposed amendment to the Company's Constitution relating to the inclusion of proportional takeover provisions which are detailed in the attached Notice of General Meeting.

The Hills Board unanimously recommends that Shareholders vote in favour of the special resolution amending the Constitution and approving the proportional takeover provisions either by attending the meeting in person or by ticking the box marked "**For**" and submitting your proxy form in accordance with instructions in the Notice of Meeting documents.

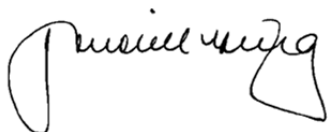
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The Board considers the insertion of the proportional takeover provisions will benefit **all** Shareholders. Without such provisions bidders can seize control of your Company without necessarily offering a control premium to Shareholders. Under the Corporations Act a company may include provisions in its constitution which prohibit the registration of shares acquired under a proportional takeover bid unless an ordinary resolution approving the bid is passed by the Shareholders of the company. The insertion of this provision gives Shareholders the ability to consider and vote on a proportional takeover bid. **This will ensure that existing Shareholders do not become minority Shareholders without their approval.**

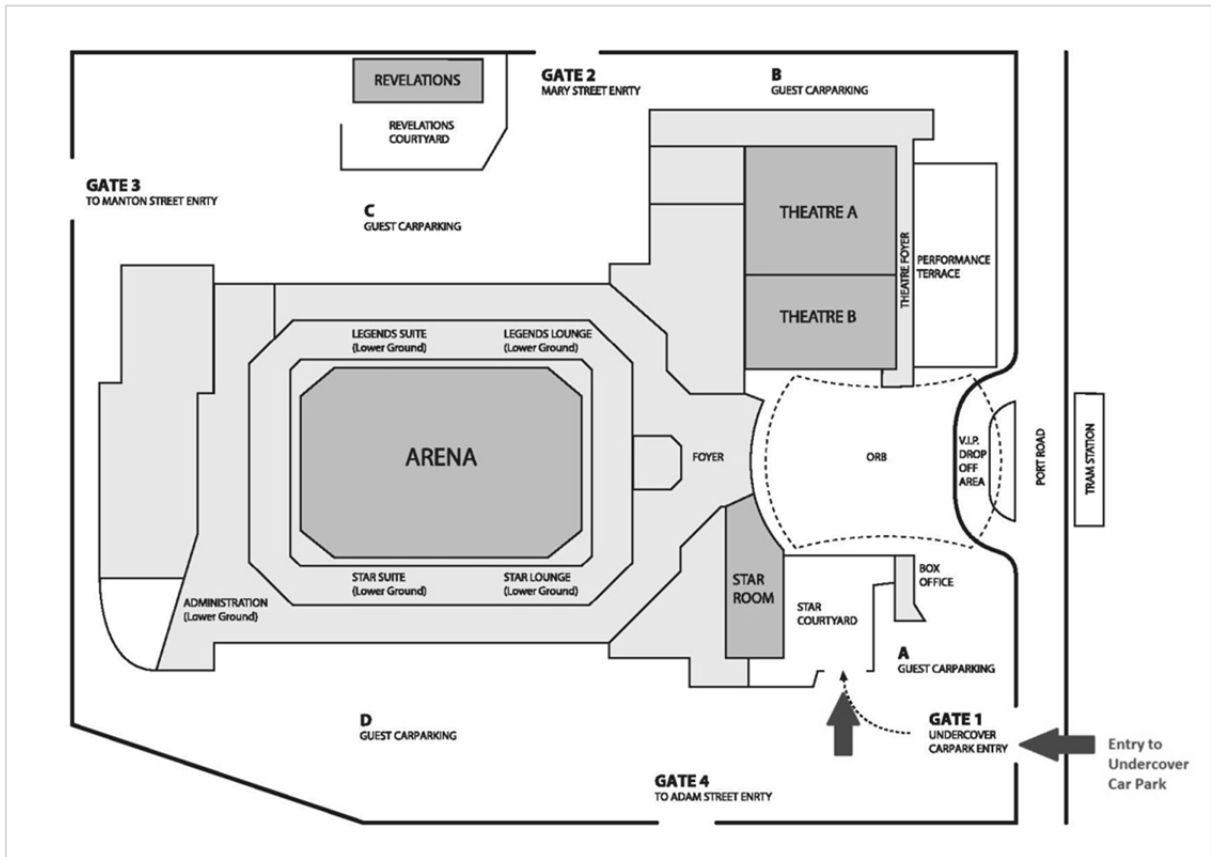
Enclosed is a Notice of Meeting providing further details on the proposed special resolution. I urge you to read the Notice of Meeting carefully.

I encourage you to participate by voting on this important resolution. If you are unable to attend, you can vote by completing a proxy form. This can be done online at www.investorvote.com.au or alternatively you can complete and return the proxy form enclosed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jennifer Hill-Ling', written in a cursive style.

Jennifer Hill-Ling
Chairman



Adelaide Entertainment Centre Undercover Parking

Please find attached a map showing the location of the undercover car park that has been made available for Hills Holdings Limited General Meeting attendees.

Entry is via Gate 1, off Port Road, Hindmarsh. There are 140 allocated parking spaces and there will be signage at this location directing attendees to the allocated parking area.

HILLS HOLDINGS LIMITED

ABN 35 007 573 417

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Hills Holdings Limited ABN 35 007 573 417 (**Company**) will be held at Theatre Room B, The Adelaide Entertainment Centre, 98 Port Road, Hindmarsh, South Australia, on Friday, 19 April 2013, at 10:00am.

ITEM OF BUSINESS

SPECIAL RESOLUTION

1. Amendment of Constitution - Approval of Proportional Takeover Provisions

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, from the close of the meeting, the proportional takeover provisions set out in Annexure A to the Explanatory Statement be inserted into the Constitution as articles 6.9 to 6.14.”

For further information, please refer to the Explanatory Statement which is included with, and forms part of, this Notice of Meeting.

By Order of the Board



Company Secretary

18 March 2013

NOTES

(a) A member entitled to attend the meeting and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the member's voting rights. A proxy need not be a member.

(b) Where a member has appointed an attorney, the form of proxy must be signed by the member's attorney duly authorised in writing or, if the member is a corporation, under its corporate seal or by its duly authorised attorney or representative.

If any attorney is to attend the meeting, please submit the relevant power of attorney for noting. If a representative of a corporation is to attend the meeting, the appropriate Letter of Representation should be produced prior to admission.

(c) In the case of joint holders, the proxy form may be signed by any one holder.

(d) Proxies will only be valid and accepted by the Company if they are received by the Share Registry of the Company by electronic lodgement by visiting www.investorvote.com.au or by forwarding a hard copy to GPO Box 242, Melbourne, Victoria 3001 or faxed to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) so as to be received not later than 48 hours before the meeting. Instructions in regard to lodging your proxy vote are provided on the enclosed proxy form.

(e) Should a member desire to direct the proxy how to vote, the member should place a mark in the appropriate box, otherwise the proxy form will be deemed to constitute a direction to vote as the proxy decides.

(f) For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

(g) The Company has determined in accordance with regulation 7.11.37 of the Corporations Regulations 2001 that for the purpose of voting at the meeting, shares of the Company will be taken to be held by the persons who hold them at 7.00pm (AEST) on Wednesday, 17 April 2013.

2013

General Meeting

Explanatory Statement

On the business to be conducted at the Hills Holdings Limited 2013 General Meeting

SPECIAL RESOLUTION

1. Approval of Proportional Takeover Provisions

Under the Corporations Act, a company may include provisions in its constitution which prohibit the registration of shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders of the company. A proportional takeover bid is a takeover bid under which the offer is made to each shareholder only for a proportion of that shareholder's shares.

If the provisions relating to proportional takeovers is approved, these provisions will have effect for 3 years from the date of adoption and will then cease to apply unless renewed by special resolution of the Company.

Where the approval of shareholders is sought to include proportional takeover provisions in a constitution, the Corporations Act requires certain information to be provided to shareholders. That information is set out below.

Effect of the proposed provisions

If the proportional takeover provisions are adopted and a proportional takeover bid is made, the directors must ensure that a resolution of shareholders to approve the takeover bid is voted on at least 14 days before the last day of the bid period. The vote will be decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote, on the basis of one vote for each bid class security held at that time.

If the resolution to approve the bid is not passed, transfers resulting from acceptances for the proportional takeover bid will not be registered and the bid will be taken to have been withdrawn. If a resolution to approve the bid is not voted on by the required time, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers resulting from acceptances for the proportional takeover bid must be registered by the Company (provided they comply with other provisions of the Corporations Act and the Constitution).

The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 3 years after the date of their adoption under this resolution. The provisions may be renewed for a further term, but only by a special resolution of the Company's shareholders.

Reasons for proposing the provisions

The Corporations Act permits proportional takeover approval provisions to be contained in the Constitution if certain requirements are satisfied. The Board considers that shareholders should have the opportunity to have the proportional takeover approval provisions incorporated in the Constitution. Without these provisions, a bidder might be able to obtain control of the Company using a proportional takeover bid without shareholders having the opportunity to sell all their shares. Shareholders may then be exposed to the risk of being left as a minority in the Company with a bidder being able to acquire control of the Company without payment of an adequate premium for all of their shares.

The proportional takeover approval provisions lessen this risk because they give shareholders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual shareholders can make a separate decision as to whether they wish to accept the proportional offer for their shares.

Knowledge of any acquisition proposals

As at the date of this Explanatory Statement, none of the Directors is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proposed provisions

Potential advantages

The proposed proportional takeover provisions will enable the Directors to ascertain the views of the shareholders on a proportional takeover bid. Apart from this, the Directors consider that the proposed proportional takeover provisions have no potential advantages or potential disadvantages for the Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages for shareholders of the proposed proportional takeover provisions include:

- shareholders will have the right to determine by majority vote whether an offer under a proportional takeover bid should proceed;
- they may help shareholders to avoid being left as a minority in the Company where a bidder is able to acquire control of the Company without payment of an adequate premium for all of their shares;
- they increase shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is structured to be attractive to a majority of independent shareholders; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and decide whether to accept or reject an offer under the bid.

Potential disadvantages

The potential disadvantages for shareholders of the proposed proportional takeover provisions include:

- proportional takeover approval provisions may make a proportional takeover bid more difficult to achieve which may have the effect of discouraging proportional takeover bids. This in turn may possibly reduce opportunities for shareholders to sell some of their shares at an attractive price to persons seeking to secure control of the Company and may reduce an element of takeover speculation from the Company's share price, although this effect may be negligible given the rarity of proportional takeover bids over the last decade; and
- the provisions may constitute a potential restriction on the ability of shareholders to deal freely with their shares.

Since the current Constitution was adopted, there have been no full or proportional takeover bids for the Company. Accordingly, there has been no example against which to review the advantages or disadvantages of the existing proportional takeover provisions. While it may be argued that during the period from 1999 to 2002 when the existing proportional takeover provisions were in effect, they had the disadvantage of discouraging proportional takeover bids, the Board is not aware of any potential takeover bid that was discouraged by these provisions during that period.

Review of potential advantages and disadvantages

The Board does not believe the potential disadvantages outweigh the potential advantages of including the proportional takeover provisions in the Constitution. Including the proportional takeover approval provisions in the Constitution will not confer any particular advantages or disadvantages on the Directors in their capacity as directors of the Company. The Board considers that, on balance, it is in the best interests of shareholders of the Company to include the proportional takeover provisions in the Constitution.

Recommendation

The Board unanimously recommends that shareholders vote in favour of this resolution, either by attending the meeting in person or by ticking the box marked “**For**” and submitting your proxy form in accordance with the instructions in the Note to the Notice of Meeting and the instructions contained in the proxy form.

The Chairman of the meeting intends to vote undirected proxies in favour of resolution 1.

Annexure A – Proportional Takeover Provisions

6.9 Resolution required for proportional takeover provisions

Despite articles 6.1, 6.2 and 6.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a) articles 6.9 to 6.13 apply;
- (b) the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an “approving resolution”) to approve the bid is passed or taken to be passed in accordance with article 6.12 or article 6.13; and
- (c) the Directors must ensure that an approving resolution is voted on in accordance with articles 6.10 to 6.11 before the fourteenth day before the last day of the bid period.

6.10 Procedure for resolution

The Directors may determine whether the approving resolution is voted on:

- (a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of article 6.11, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b) by means of a postal ballot conducted in accordance with the following procedure:
 - (i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
 - (ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
 - (iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
 - (iv) each ballot paper must specify the name of the person entitled to vote;
 - (v) a postal ballot is only valid if the ballot paper is duly completed and:
 - (A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or
 - (B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;
 - (vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and
 - (vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

6.11 Persons entitled to vote

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time.

Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

6.12 Resolution passed or rejected

If the resolution is voted on in accordance with articles 6.9 to 6.11, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

6.13 Resolution taken as passed

If a resolution to approve the bid has not been voted on as at the end of the day before the fourteenth day before the last day of the bid period, then a resolution to approve the bid is taken to have been passed in accordance with articles 6.10 to 6.12.

6.14 Takeover articles cease to have effect

Articles 6.9 to 6.13 cease to have effect on the day three years after the later of their adoption or last renewal.



Hills Holdings

Hills Holdings Limited ABN 35 007 573 417

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Review and update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (Adelaide time), Wednesday 17 April 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose, subject to any voting exclusion. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Hills Holdings Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Hills Holdings Limited to be held at Theatre Room B, The Adelaide Entertainment Centre, 98 Port Road, Hindmarsh, South Australia, on Friday, 19 April 2013 at 10:00am (Adelaide time) and at any adjournment or postponement of that Meeting.

STEP 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

1. Amendment of Constitution - Approval of Proportional Takeover Provisions

For Against Abstain

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /