



asx announcement
media release

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Hills Acquires Audio Products Group

Hills Limited (ASX:HIL) is pleased to announce the acquisition of the **Audio Products Group (APG)**, a long-established and successful Australian and New Zealand value added supplier of professional audio products.

The APG business established in 1996 by industry leader Mr Ken Dwyer is forecast to generate annual revenue of around \$26 million in the current financial year to 30 June 2014. The combined Hills and APG businesses will create the leading player in the supply of specialised audio products in Australia and New Zealand.

The total consideration for the Hills acquisition of APG is \$15 million on a cash and debt free basis, with Hills acquiring 100% of the shares in the APG trading companies in Australia and New Zealand. The acquisition is expected to be earnings per share accretive in the first full year (FY15) after completion of the transaction on 1 July 2014.

Mr Brad Newton, Hills' Chief Operating Officer, said the APG acquisition was consistent with Hills' revenue growth strategy of bolt-on acquisitions that can be integrated into the Group's core business and realise synergies.

"APG will certainly assist in accelerating our ability to continue to build a market-leading position in the specialised audio markets in Australia and New Zealand. It is widely respected as a market leader and trusted supplier with long-standing and exclusive supplier relations that are reflected in sustained revenue and earnings", Mr Newton said.

APG's Mr Ken Dwyer, Managing Director, said "I am delighted to join the Hills team at an exciting time in its evolution into Australia's leading trusted supplier of integrated solutions."

Key products within the APG stable include Aiphone, which is the leading commercial and residential intercom brand. Other highly-recognised brands such as Tannoy (speakers), Lab.gruppen (amplifiers), Biamp and TOA are also strong APG performers.

The latest expansion of Hills' New Zealand presence via the APG acquisition follows the Group's recent broadening of its core electronic security operations with its NZ-based business, Hills Electronic Security, acquiring Auckland-based Intek Security Group.

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