



REVISED PROFIT GUIDANCE FROM HILLS

Diversified Australian company Hills Holdings Limited (ASX:"HIL") provided an update to the market on the expected results for the half year ending 31 December 2010.

At the time of the AGM Hills advised that the net operating profit for the half year ending 31 December 2010 was expected to be lower than the prior comparative period by about 10%.

The Company has now finalised the October and November results and updated the forecast for December and advised that while most Hills businesses are performing in line with expectations, the market in Australia for steel pipe and tube has been very weak and has adversely affected the results from the Orrcon business.

Hills further advised that certain restructuring initiatives have been implemented and further action will be taken to improve profitability, however trading conditions in the markets in which Orrcon operates are expected to remain subdued for the balance of the financial year.

As a result of the deterioration in the results from Orrcon, Hills now expects its net profit from operations for the half year ending 31 December 2010 to be below the prior comparative year by around 30%.

In view of the difficult and volatile nature of the steel business and the construction sector in general, the company is unable to give certain financial guidance for the full year result to June 2011 at this time.

17 December 2010

For further information, please contact:

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