



WOOLWORTHS LIMITED

4 December 2014

WOOLWORTHS LIMITED AND HILLS SIGN LICENCING DEAL

Woolworths Limited (ASX:WOW) and Hills Limited (ASX:HIL) today announced a strategic partnership that aligns Australia's largest retailer with Australia's most trusted iconic brand. The licensing agreement is for up to 19 years and gives Woolworths exclusive rights to the Hills heritage brand as it applies to more than 240 products including clotheslines, clothes care and garden sprayers.

Under the terms of the agreement:

- Hills will grant Woolworths exclusive rights to the Hills brand as it applies to the agreed product ranges for the Australian and overseas markets;
- Hills maintains ownership of its heritage brand and the intellectual property in product patents and designs including the intellectual property in the Hills Hoist clothesline;
- The licence is for a minimum period of seven years with Woolworths having three options for renewal for further four year periods;
- Hills will receive income from the use of the brand and intellectual property by way of an annual licensing fee that has the potential to increase if product sales exceed agreed levels; and
- Products will be marketed and distributed exclusively by Woolworths.

Ted Pretty, Hills Limited CEO, said the iconic Hills brand will grow further with the market strength of Woolworths.

"Woolworths is one of Australia's pre-eminent retailers with national coverage and penetration across a range of retail channels. We have no doubt that Woolworths is the right partner to successfully distribute and market our products," he said.

"This agreement will also allow Hills to focus on building our technology business, particularly our security and healthcare portfolio to achieve our stated growth ambitions. Additionally, we will enjoy greater certainty of earnings and a strengthening of our profit performance. There will be a positive impact on the balance sheet from the reduced requirement for working capital.

"This is an exciting step forward in our strategy to be Australia's leading provider of technology solutions into government, enterprise, business and the home."

Woolworths Home Improvement Managing Director, Matt Tyson; "We are honoured to partner with Hills, an iconic brand Australians know and trust," he said.

"Masters, Home Timber and Hardware and BIG W customers will now have access to the biggest range of Hills products at Australia's lowest prices.

“Hills is Australia's leading laundry, clotheslines and garden spray supplier, with the largest share of the \$75 million clothesline category. They will be a strong partner and another example of Masters range expansion plan.”

ENDS

About Hills Limited

Hills is a leading provider of integrated technology solutions into trusted environments. Our solutions span security & surveillance, health & aged care, audio visual, automation, and communications and mobility. As Australia's most trusted iconic brand, with a rich history of almost 70 years, we know what our customers and industry require for innovation and service. The products we provide are found in hospitals, universities and schools, secure and protective agencies, and many other critical environments.

About Woolworths Limited

Woolworths Limited is an Australian company that was founded in 1924 in Sydney. With more than 3,200 stores across Australia and New Zealand, our businesses span food, liquor, petrol, general merchandise, home improvement and hotels. We employ more than 198,000 people and we are a committed business partner of many thousand local farmers, producers and manufacturers.

Hills heritage brand licensed to Woolworths:



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