



ASX announcement
11 October 2016

HILLS AND WOOLWORTHS REACH AGREEMENT ON THE HILLS HOME LIVING BRAND LICENSING ARRANGEMENT

Hills Limited (ASX: HIL, "Hills") and Woolworths Limited (ASX: WOW, "Woolworths") have today agreed to end the contract entered into on 3 December 2014 which licensed certain Hills Home Living ("HHL") brands to Woolworths for a period of 7 years ("Licensing Agreement"). This follows Woolworths' recent announcement to exit its Home Improvement Business.

Woolworths will pay an amount to Hills in settlement of all rights and obligations under the Licensing Agreement. While the terms of the settlement remain confidential between the parties, this has the effect of bringing forward 3 years' worth of license fee income and cash receipts to Hills. Hills will record any associated increase to income and cash in its results for the first half of FY17.

The iconic HHL brands will continue as usual, with products remaining available through retail outlets and installers in Australia and New Zealand.

Meanwhile, Hills is considering potential permanent replacement brand licensing arrangements for all HHL products, and is commencing discussions with interested third parties.

Further information will be made available at the Hills AGM in November.

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