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HILLS ACHIEVES IMPORTANT MILESTONE IN ELECTRONIC SECURITY STRATEGY WITH ACQUISITION OF UHS

Diversified Australian company, Hills Industries Limited (ASX: "HIL") has further broadened the global reach of its Electronic Security and Entertainment division with the acquisition of a controlling 51% stake in UHS Systems Pty Limited.

Sydney-based UHS is best known for its development of market-leading products in the electronics and wireless communications market, particularly in security, telemetry and monitoring.

"This acquisition is a great fit for our business and continues the rollout of Hills' strategic plan to build a security business in Australia and New Zealand, that is second to none," Hills Managing Director, Mr Graham Twartz, said today.

"Significantly, UHS has some impressive partners throughout Australia, Europe and North America which makes this acquisition consistent with our strategy to increase Hills' reach into global technology markets," he said.

Mr Twartz said Hills' expanding Electronic Security division was transforming from a wholesaler of other people's products, to a business that combines the benefits of the Group's market-leading partners with the ownership of our core intellectual property.

"This has included the ongoing strategy of developing our own alarm devices and related equipment, including the launch of our Pacom EVO range of CCTV products, and the recent unveiling at the ISE Europe show in Amsterdam of the new Hills SVL Australian Monitor range of digital audio products," he said.

"The missing link for us was in the communications gateway and our new UHS acquisition leads the world in this market."

Mr. Twartz said that while the purchase price was not disclosed, UHS turnover in the current financial year to 30 June 2009 was expected to be around A\$14 million.

All key UHS management and staff will continue with the business.

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