

27 May 2015

Appointment of new Chief Executive Officer (CEO)

Hills Limited (ASX:HIL) announced today that the Board of the Company and Group Managing Director and CEO, Mr Edward (Ted) Pretty have reached agreement that Mr Pretty will leave the company and Mr Grant Logan, the current Hills Chief Operating Officer, will be appointed CEO with immediate effect.

Ms Jennifer Hill-Ling, Hills Chairman, said "Ted has led Hills through its transformation from a diversified holding company to a technology business focused on security, AV, audio, communications and health.

"The Board has recently reviewed and refined the Company's strategy and committed to consolidating its existing businesses and growing, both organically and by acquisition, within Australia and New Zealand.

"After discussing the refined strategy with Ted we have agreed that this is the time for a change in executive leadership.

"Ted leaves the Company with a strong balance sheet, a simplified business model and the thanks of the Board."

Mr Pretty said "Hills is a great company with a wonderful brand and people. It has significant potential as a leading provider of technology solutions."

Mr Logan joined Hills four years ago as Chief Financial Officer (CFO) and was appointed Chief Operating Officer in February 2015. Mr Logan has had a number of executive roles in both Australian public companies as well as global multinationals. Prior to joining Hills he held the role of Chief Financial Officer at Corporate Express. Earlier in his career Grant has served as Chief Financial Officer of Goodman Fielder, Chief Executive Officer at Philips Electronics and Chief Financial Officer at Bayer Limited.

Commenting on the appointment, Ms Hill-Ling said "Given his role as COO, Grant is able to move seamlessly into the role of chief executive officer. On top of his operational experience, he possesses extensive and proven abilities in negotiating and completing complex financial transactions, particularly mergers and acquisitions. Through this experience he has built a broad array of relationships with international & domestic analysts, our key shareholders and other major business influencers that will be essential for Hills future success.

"Grant's primary focus will be on ensuring the company generates consistent returns for shareholders."



asx announcement media release

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Mr Logan's remuneration details will be released shortly and his appointment will be for an initial term of 12 months. Mr Pretty will receive a termination payment in accordance with his contract. No short or long term incentives will vest or be payable.

While there is no change to the underlying¹ net profit after tax guidance provided on 27 April 2015, there will be changes to the statutory profit. These will include non-operating expenses incurred relating to costs associated with completed acquisitions, international acquisition costs (including due diligence costs for acquisitions that will not progress) and costs associated with Mr Pretty's departure which are in accordance with his contract. Total net non-operating costs will be approximately \$5M after tax with further detail to be provided at the full year.

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¹ Underlying Net Profit after Tax attributable to owners is a non-IFRS measure used consistently by the Company over time. The measure is relevant because it is consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business in light of its change program. It is calculated by removing the effect of non-operating items such as business combination transaction costs, the cost of disposing of freehold properties and one-off income tax credits. Non-IFRS measures are not subject to audit or review.