



DIVESTMENT OF HILLS' STEEL ASSETS

BlueScope to acquire Fielders and Orrcon

19 August 2013: Hills Holdings Limited (ASX:HIL, "Hills") today announced that it has signed interdependent agreements to sell its steel assets, Fielders and Orrcon, to BlueScope Steel Limited.

The combined divestments will result in gross cash proceeds to Hills of \$87.5M (before costs to sell including but not limited to completion adjustments, transaction costs and other costs to prepare the assets for sale). Net cash proceeds are expected to be approximately \$80.0M.

The impact on the Hills FY13 pre-tax result is not expected to be material given that the assets are held for sale and carried at fair value at 30 June 2013 in line with our previous announcements.

Proceeds from the divestments will be used to fund future acquisitions and capital management initiatives in line with the strategy to focus on its existing Electronics / Communications and Home divisions as outlined to the market over the last nine months.

The transactions are subject to customary terms and conditions precedent including ACCC approval. Completion of the interdependent transactions is targeted to occur by the end of December 2013 quarter and will be included in Hills FY13 accounts as a subsequent transaction.

Hills Managing Director and CEO, Mr Ted Pretty, said: "These transactions represent one of the major remaining steps in the restructuring of Hills. We are confident that the future of these businesses will be more secure under the stewardship of BlueScope which is a leading and global specialist in steel products," said Mr Pretty.

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