

HGL net profit up 67.5% in fiscal 2010

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AAP

Niche product supplier HGL Ltd has reported a 67.5 per cent rise in annual net profit and says it's optimistic about the coming year.

HGL posted a net profit of \$13.42 million in the year to September 30, up from \$8 million in the prior year.

Revenue rose five per cent to \$180.954 million.

The company has declared a final fully franked dividend of five cents a share for yearly dividends of 11 cents, up from eight cents in the previous year.

HGL chief executive Michael Mahoney said HGL has simplified its business model and sold the company's remaining shares in listed companies.

"Our model simply involves the importing of branded goods and delivering them to specialist retailers and other businesses across the country," Mr Mahoney said in a statement on Wednesday.

"We now concentrate on building the value of the brands we manage and investing in product development, training and marketing, with the change in our business model now yielding pleasing results, despite the challenging trading conditions at certain periods throughout the year."

The appreciation of the Australian dollar had boosted the group's gross margin from 42.3 per cent to 45 per cent, HGL said.

"The current demand for our products and our internal improvements lead to optimism about the year ahead," Mr Mahoney said.