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Attn: ASX Market Announcements
BY ELECTRONIC LODGEMENT

Sale of Leutenegger

HGL Limited (ASX:HNG) announces that it has entered an Asset Sale Agreement to sell its Leutenegger arts and crafts supplies business to E. C. Birch Pty Ltd. The transaction remains conditional, however completion is anticipated in February 2018.

The sale price will be \$2.0 million, subject to final completion adjustments, and no accounting impairment is anticipated as part of the transaction.

The disposal continues the consolidation of the company portfolio of businesses and allows HGL to focus on target industries, with emphasis on Building Products, Medical Equipment, Personal Care, School and Corporate Wear and Retail Marketing products.

Mr Peter Miller, Chairman of HGL said “HGL had previously announced it was conducting a strategic review of Leutenegger to explore all opportunities to maximise shareholder value. Following the conclusion of the review, the Board has determined a trade sale of Leutenegger is in the best interest of shareholders, releasing capital to invest within the core company portfolio in the HGL Group. The Board is pleased that HGL management has secured the opportunity to divest Leutenegger to a reputable industry player”.

Mr Henrik Thorup, Chief Executive Officer of HGL said “We believe the sale of Leutenegger to Birch will open an exciting new chapter for Leutenegger, its customers, suppliers and employees. Birch has a strong reputation within the industry, which will be further enhanced based on a strong fit between the two organisations. The combined business will be market leading in Australia”.

E.C. Birch Pty Ltd is a family owned Australian company established in 1926. They source, select and distribute Sewing, Craft and Haberdashery products from international suppliers and sell to major specialist retailers and independent stores in Australia, New Zealand and overseas.

Peter Miller
Chairman

For further information
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Chairman

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