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HGL Limited
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Trading update

On 23 May 2012 HGL presented its half yearly accounts and provided commentary. We indicated that the Group had experienced difficult trading conditions, these have continued into the second half year. For the full year we anticipate an underlying loss of up to \$0.75 million compared to a full year underlying profit of \$7.2 million (statutory loss \$2.4 million) in 2011.

In this subdued environment the SPOS business unit has not achieved the expected level of activity due to the capital nature of its sales. There have been delays from major customer groups and whilst we are optimistic that many projects will ultimately come to fruition management is reviewing the structure and focus of the business to more closely align resources to future sales.

As part of this process a detailed review of the SPOS work in progress and other asset balances is being performed. This review is not yet complete; any resulting restructuring charge will be excluded from underlying loss.

Other than SPOS the Group continues to perform satisfactorily in the current environment. HGL remains in a strong financial position with net cash of \$9 million (September 2011: \$6.6 million) and \$10m of unutilised borrowing facilities.

Peter Miller
Chairman
15 August 2012

For further information:

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