

asx announcement media release

30 January 2018

Hills delivers on key projects to transform its business

Hills Limited (ASX: HIL) announced today that it has successfully brought its supply chain operations in house, completing the migration of the Company's warehouse operations from a third-party logistics provider to the new Hills national distribution centre in Seven Hills, New South Wales.

"This is a significant development for our staff, customers and suppliers as we successfully deliver on major projects that will ensure a better customer experience and position Hills for continued future growth," Hills Chief Executive Officer, Mr David Lenz, said today.

"The new Hills distribution centre integrates the Company's warehouse operations that were previously spread between facilities in Lidcombe and Silverwater in New South Wales, and the third-party provider delivering an annualised operational saving of approximately \$1.5Mil," Mr Lenz said.

"The distribution centre is now fully operational and is providing a simplified and streamlined distribution capability, improving customer delivery times and creating cost efficiencies across the business," he said.

Mr Lenz also announced the opening of the Company's new Seven Hills Trade Centre on the same site, creating a building technologies 'super centre' to showcase product ranges and provide customers with immediate access to stock directly from the distribution centre. Technical support, product management and sales teams are all located onsite to provide a full-service experience for Hills customers.

The changes are part of a digital transformation strategy that was initiated in 2016 to revitalise the business's performance, and include the development of a new e-commerce platform which is set to launch in February 2018.

Mr Lenz confirmed that the e-commerce project is on schedule, and will be implemented in phases across Australia and New Zealand.

"Based on early feedback from customers and vendors involved in the project, we're confident that the new platform will deliver on customers' expectations and provide the step change needed to help drive our business growth across Australia and New Zealand," he said.



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Mr Lenz said "Hills expects to deliver a first half result in line with the forecast provided at the AGM in November and remains on track to deliver a trading profit in the second half of FY18." he said.

About Hills Limited

Hills is a majority Australian-owned publicly listed company (ASX:HIL), a value-added distributor of integrated technology solutions that connect, entertain and secure people in the environments they trust the most: their homes, schools and universities, hospitals and aged care facilities, workplaces and government institutions. For more information visit www.hills.com.au

Contacts

Hills Limited

Mr David Lenz Chief Executive Officer Hills Limited +61 2 9216 5510

Media

John Field Field Public Relations P: +61 8 8234 9555 / 0418 819 527 E: john@fieldpr.com.au