

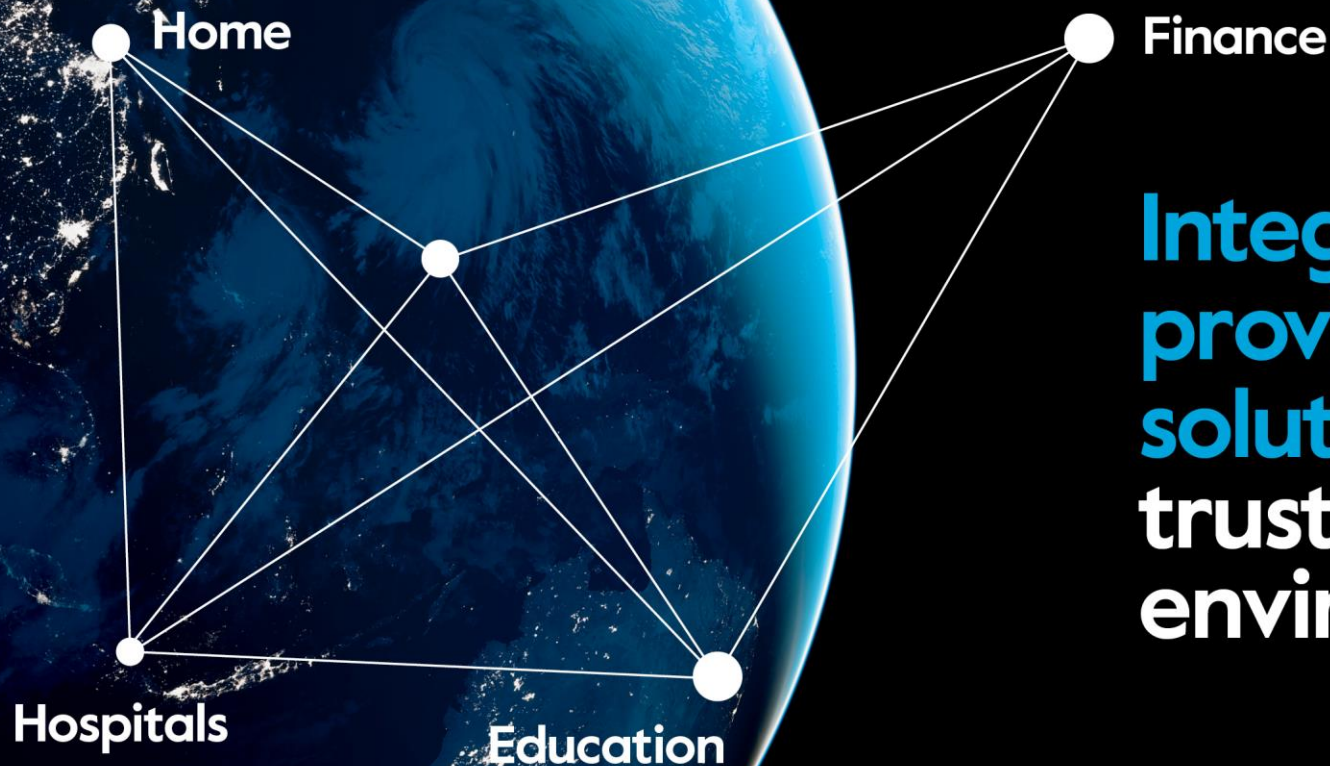
we are HILLS.

ASX Investor Series
Sydney – November 10, 2014

Ted Pretty
Group Managing Director
& CEO

Our vision Hills 2.0

HILLS.



**Integrated
provider of
solutions into
trusted
environments**

An innovative technology company

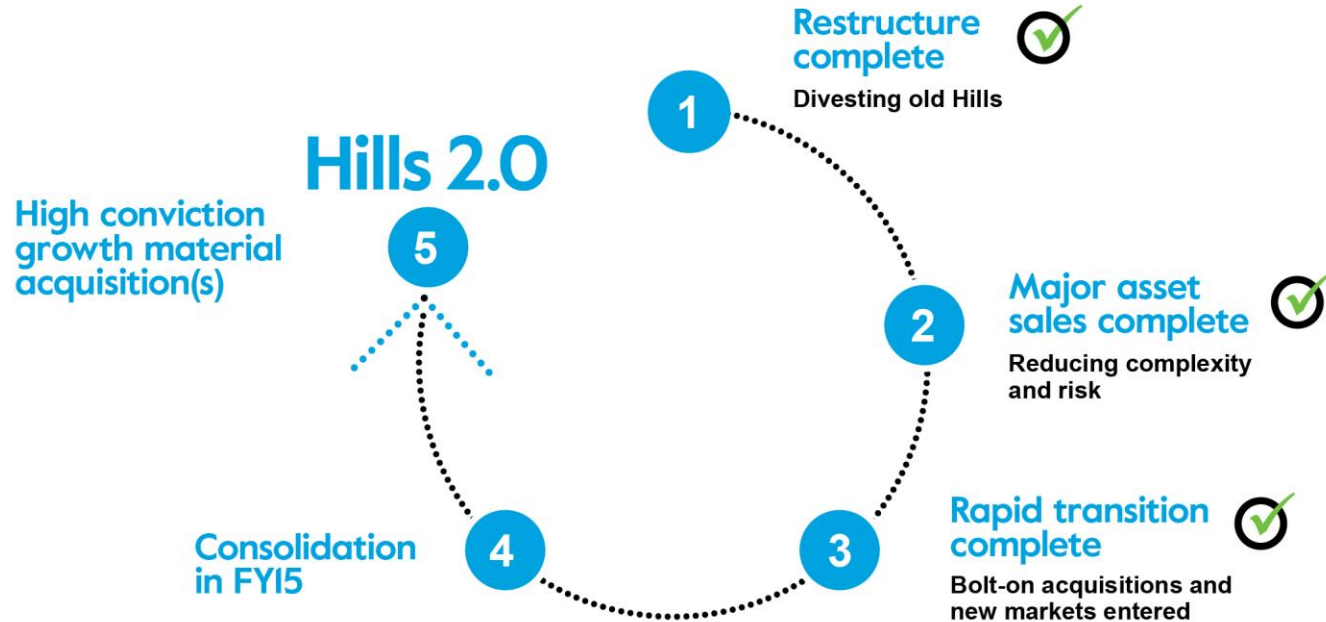
HILLS.





HILLS.

The journey to the 'new' Hills



FY14 results summary

- Underlying NPAT \$27.3 million up 42.2%¹
- Statutory NPAT \$24.8 million up \$118.9 million
- Total revenues of \$737.2 million
- Continuing revenue \$415.5 million up 16.6%
- Total EBITDA \$50.9 million
- Continuing EBITDA \$42.9 million up 41.6%
- Underlying EPS 11.4c up 46% against last year
- Return on funds employed in excess of 20%²

1. Underlying NPAT attributable to owners for the year ended 30 June 2014 of \$27.3M is a non-IFRS measure calculated as: NPAT attributable to owners of \$24.8M adjusted for business combination acquisition transaction costs after tax offset by one-off income tax credits associated with business sales (a net adjustment of \$2.5M) as disclosed in note 22(c) of the Annual Report.

2. Hills return on funds employed (ROFE) [(Full year underlying EBIT/ (total assets exc. cash and deferred tax) – (total liabilities exc. borrowings)]



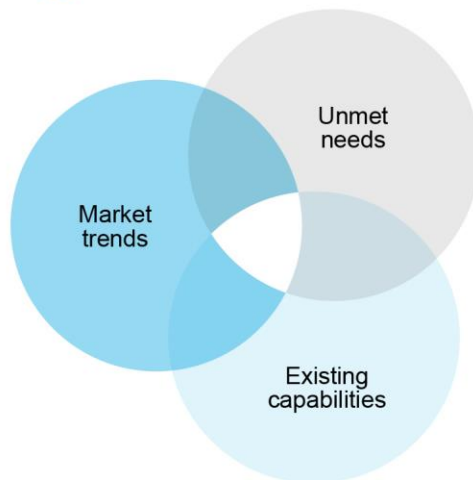
We continue to seek new growth platforms



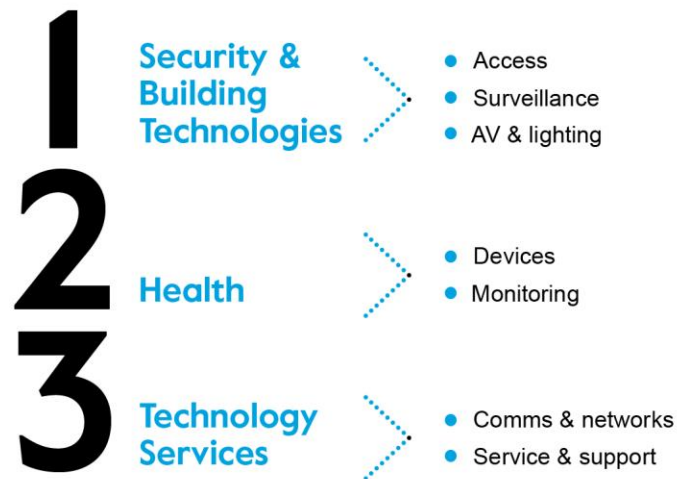
Existing products

Access control
Surveillance
AV & lighting
Communications
Health devices
Home

Identification of growth opportunities



Hills growth platforms



Leaner operating model

- ✓ Reduced structural complexity (single business)
- ✓ Strong balance sheet
- ✓ Reduced environmental, safety and business risks
- ✓ Reduced operating complexity (now largely a B2B technology model)
- ✓ Capital light (improved ROFE)

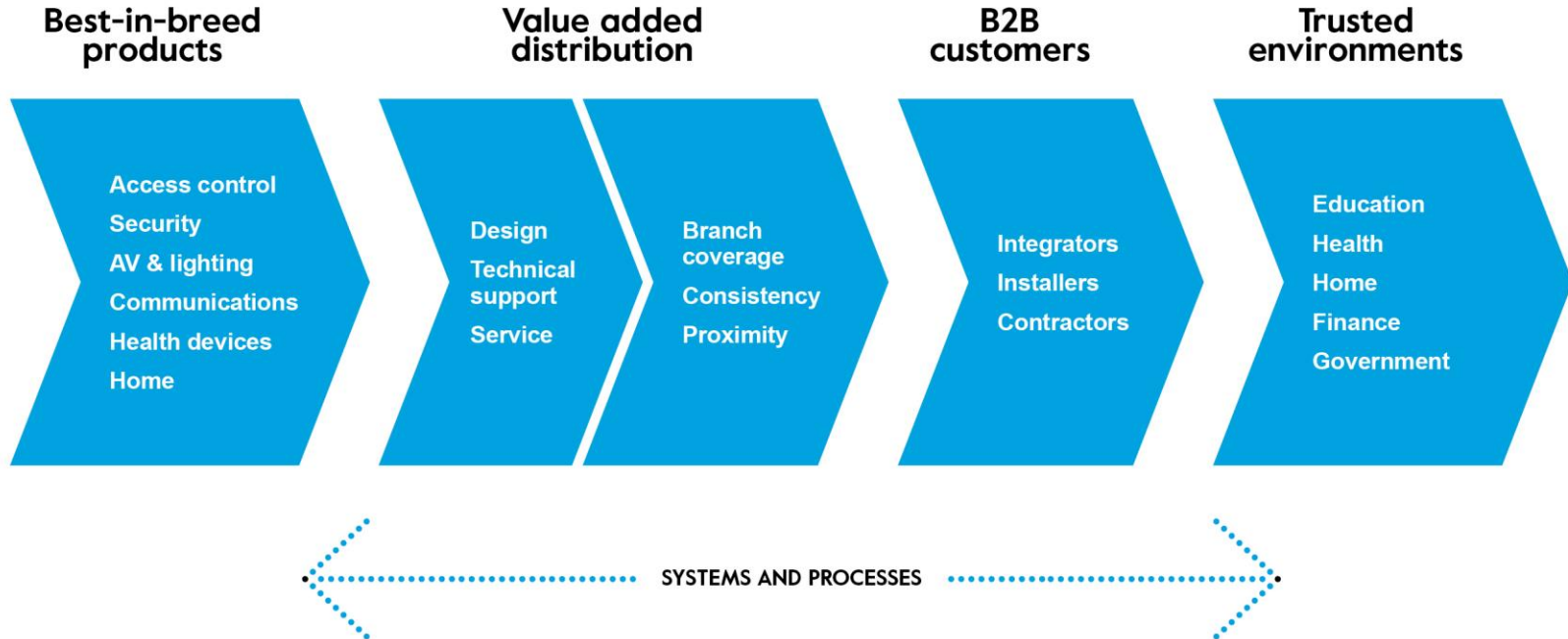
HILLS.



Moving towards best in class service



Hills 2.0



Financial settings



- **Deriving 75% of revenues from technologies and communications**
- **Sustained earnings growth**
- **Return on funds employed (ROFE) of 13 – 15%¹**
- **Earning 20 – 25% of revenue from services**



1. Hills return on funds employed (ROFE) [(Full year underlying EBIT/ (total assets exc. cash and deferred tax) – (total liabilities exc. borrowings)]

New acquisitions



New relationships



Communications
and mobility



IT



SOPHOS

Fire



AV



VISION
installation-innovation

Security



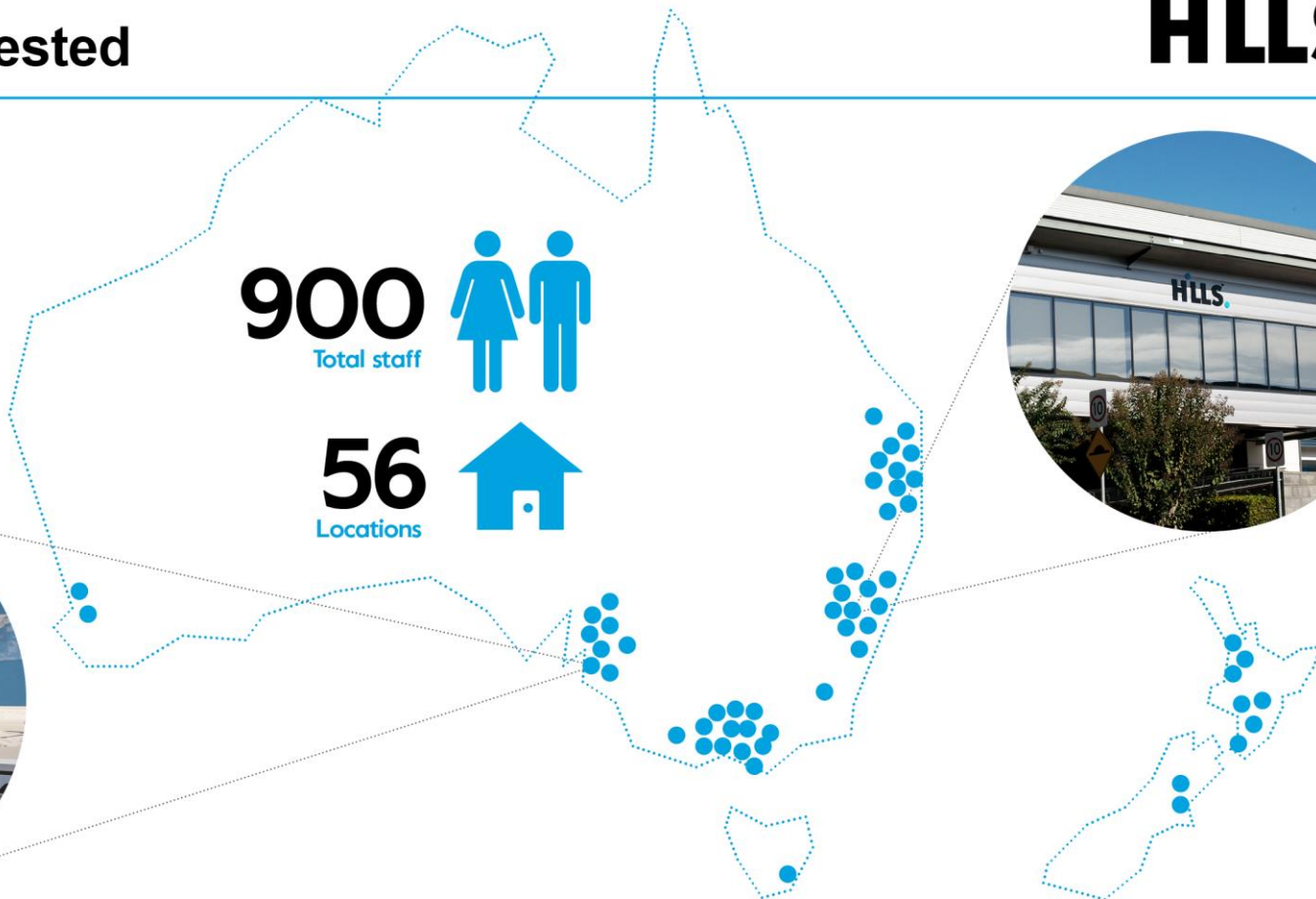
Capital reinvested



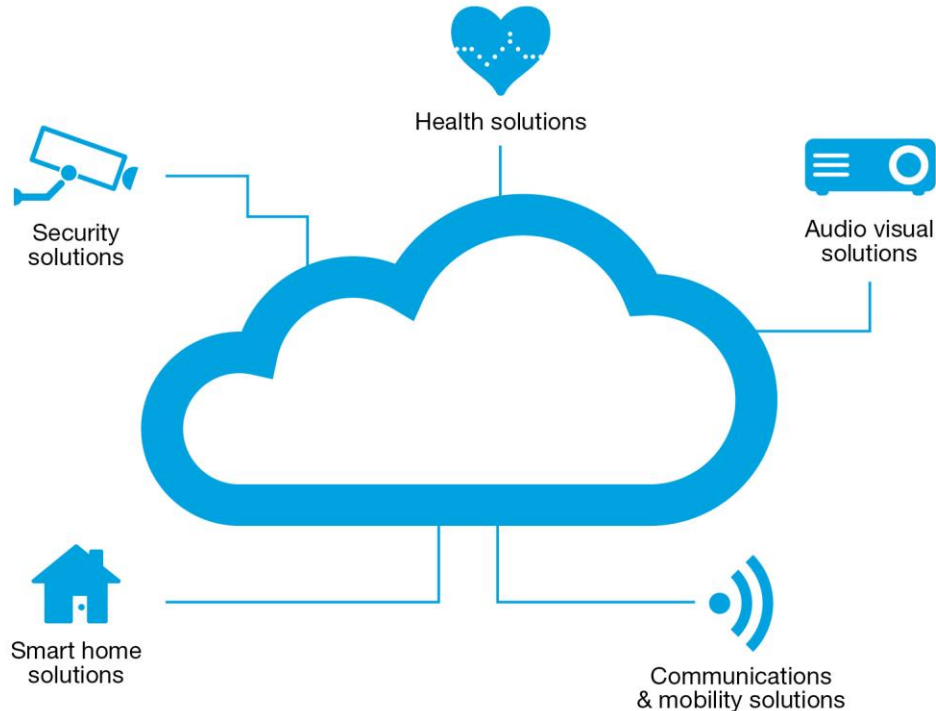
900
Total staff



56
Locations



Our strategy is now firmly focused on technology



Strong revenue growth from technology and communications services, supported by best in class products from our partners here and around the world based on principles of:



Global



Growth



Innovative



Fast to market



IP based



Annuity streams

**blood.
sweat.
tears.
idea.**

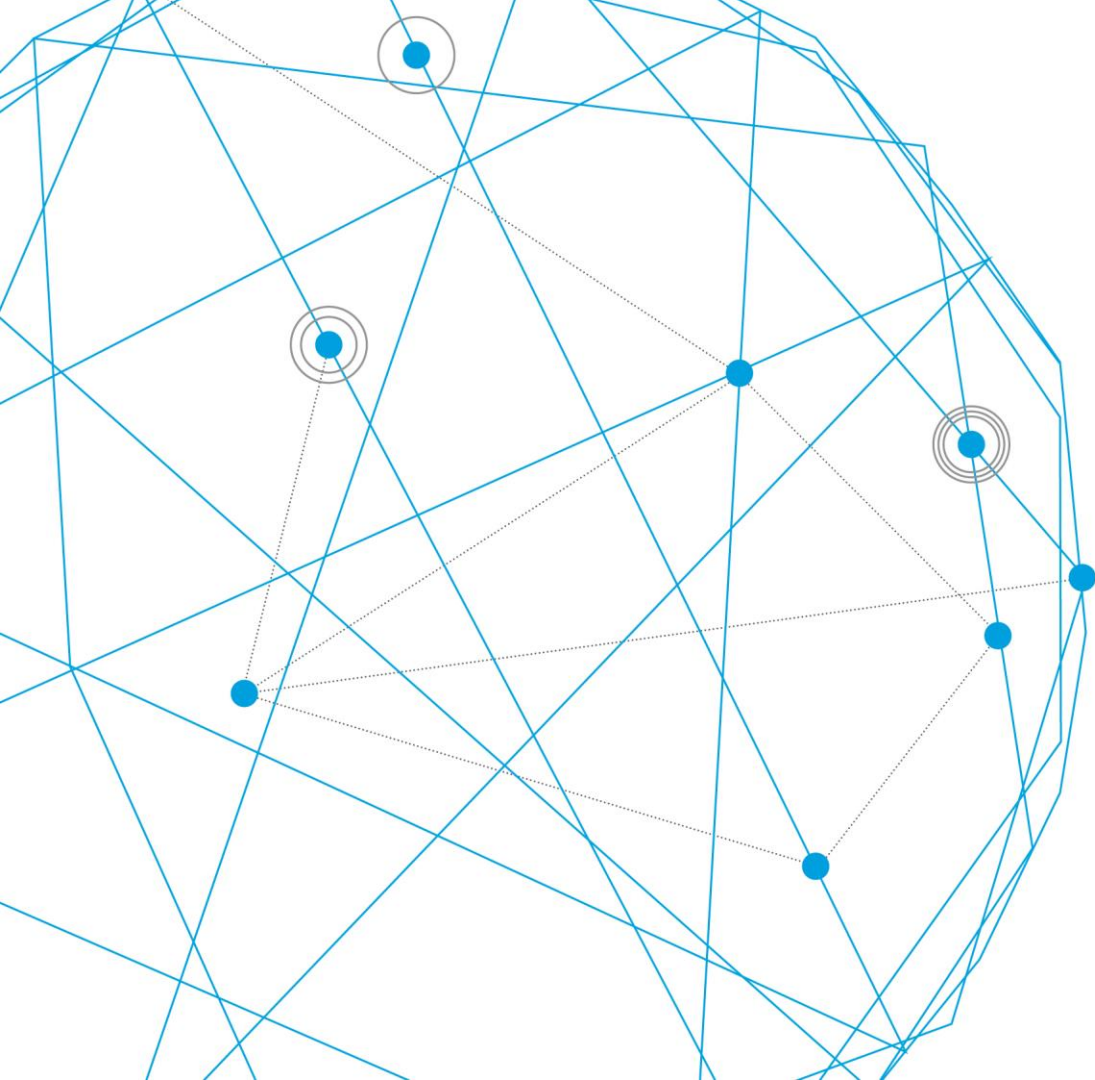


The outlook for FY15 is cautious but solid

- Hills outlook is for a solid FY15 in tough conditions
- Focus on new growth platforms, customer service and employee engagement
- Expect FY15 underlying NPAT attributable to owners to be at the lower end of our guidance range of \$22 million – \$24 million¹
- Ample debt capacity to fund further acquisitions (ultimate value will be subject to target profile and cash flows)
- Hills focus to be in security, health and services

1. Underlying NPAT attributable to owners is a non-IFRS measure calculated as: NPAT attributable to owners adjusted for business combination acquisition transaction costs after tax offset by one-off income tax credits associated with business sales (if any).

Thank you



we are **HILLS.**[™]