



HUDSON INVESTMENT GROUP LIMITED

22 January 2015

MARKET UPDATE

Newly appointed Managing Director, Alan Beasley has conducted a review of operations and provides the following market update.

Having joined Hudson Investment Group Limited (**Hudson**) as Managing Director, on January 19, 2015, I am pleased to provide a market update after reviewing our current position, on how to add value to Hudson and shareholders.

Hudson is an investment company with an asset portfolio, which includes:

- **Industrial and Commercial Properties**
 - Hudson House naming rights
 - Carpark at Hudson House 131 Macquarie Street Sydney
 - Warnervale Property
- **Hudson Marketing Pty Limited** – processes and markets Attapulgit; (High quality Fuller's Earth Clay)
- **Corporate Finance**, including investment and financing activities
- **Litigation Funding** and provision of other legal services

Industrial and Commercial Properties

The property holdings are classified as investments and give Hudson exposure to growth through the property market, while providing a significant revenue stream. The other activities provide modest revenue streams at present. Your Board believes that considerable potential exists in these investments and activities.

Hudson House Naming Rights

Building and Rooftop Signage.

Hudson owns the strata for the building naming rights for Hudson House and also the Hudson rooftop signage at Hudson's head office at 131 Macquarie Street Sydney NSW.

Car Park

The Car Park at 131 Macquarie Street Sydney, wholly owned by Hudson Property Trust (a wholly owned subsidiary), continues to generate good returns for the consolidated entity.

The Car Park is managed by Secure Parking Pty Ltd.



HUDSON INVESTMENT GROUP LIMITED

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Warnervale

A 44.5 hectare site, comprising a factory and office complex on 5 hectares of land along Sparks Road/Mountain Road Warnervale on the NSW Central Coast is part leased to Bunnings Group Limited, 100% owned by Wesfarmers Limited. The other part is leased to Better Concrete Products Pty Ltd, part of the Tellam Group. The NSW Department of Planning in late 2008 rezoned part of this site as IN1 General Industrial. Part of the rezoned land is to be acquired by Wyong Shire Council and HIGL will be compensated based on market rates for the best use of the land.

The site is located close to the Sydney – Newcastle Freeway, 100km north of Sydney and 60km south of Newcastle.

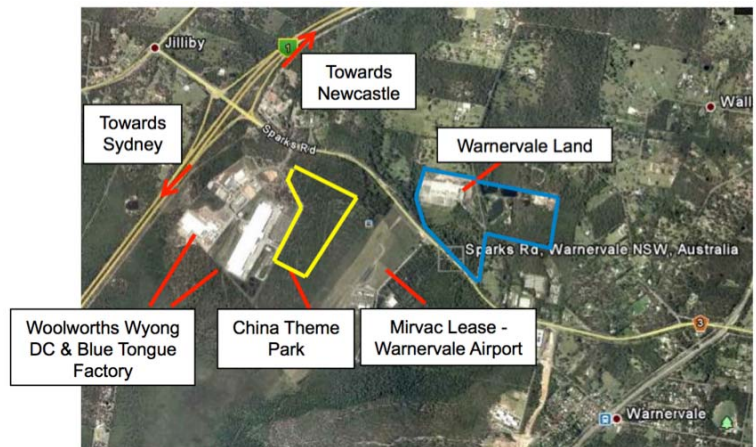
Located within proximity of existing and proposed local landmarks, including:

- Proposed \$500 million China Theme Park development
- Warnervale Airport and Woolworths Wyong Distribution Warehouse

Situated within the Warnervale Employment Zone, in which the Council is aiming to create 6,000 jobs and \$1.5 billion in investment

The Property comprises: (approximately)

- 14.5 hectares of industrial land with 10 hectares currently surplus
- 8 hectares zoned SP2 for water management
- 22 hectares zoned E2 environment special use



Manufacturing, Sales and Marketing

Hudson Marketing (Pty Ltd) is the largest Australian-owned manufacturer and marketer of Attapulgit (High quality Fuller's Earth Clay) products for cat care, industrial, mining, automotive, agriculture, horticulture and oil purification applications. Hudson operates a processing plant in Geraldton Western Australia and distributes its products throughout Australia, New Zealand and Asia.

- Hudson, owns and distributes leading all-natural cat litter brands such as Chandler®, Fussy Cat® and Cat's Choice® to leading supermarkets, Pet stores and Catteries.
- Owns and distributes spill absorbent, SpillFIXER® for industrial, mining and automotive use;
- Customises specialty industrial products and solutions for applications which includes high-performance filtration media for jet fuel refining (Jetfix®) and oil clarification, (Clearfix®) carriers for crop nutrients and crop protectant products (Agrifix®) and Pharmaceuticals, (Pharmfix®) and functional filters in various industrial products; and
- Provides a dedicated and experienced Technical & Customer Service Team



Investments and Corporate Finance

Hudson Corporate Limited (Hudson Corporate)

Hudson Corporate provides corporate finance including investment and financing activities.

Litigation Funding and Legal Services

Hudson manages a number of internal litigation cases.

Hudson has studied the success of some listed litigation funding companies and will be developing the litigation funding operation business, together with other legal advocacy, and related services.

Outlook for 2015

The domestic economy continues to show a slow, steady recovery and the management of Hudson are reviewing Hudson assets to develop a strategic position to increase the value of the assets.

Alan Beasley
Managing Director

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