



THE MARKET

Styles and models have changed over the years, but Hills has remained at the forefront of design technology in its markets. The latest range of folding or removable clotheslines continues to make laundry chores easier and reflects the trend towards smaller gardens. The original "Hills Hoist" revolutionised washdays and its current successor, the Foldaline Compact Plus, is the pride of the washday scene today in Australia and many overseas countries.

Since 1946, the range of products made by Hills Industries has grown and continues to expand. Today, almost sixty years since the Hills Hoist was introduced, Hills Industries manufactures a wide range of clotheslines and indoor laundry equipment. Every day, families in Australia and around the world use a Hills product somewhere at home, school, work or at play.

Hills Industries also manufactures and markets a growing range of home and garden products including ladders, wheelbarrows, woodworking equipment, garden sprayers, children's swings and slides, trampolines, hand trucks and trolleys and screen and security doors.

But these home and hardware products now constitute just one part of the Hills business. The company is developing businesses in three segments: Home and Hardware Products, Electronics, and Building and Industrial Products.

Products are exported around the world from factories in Adelaide, Brisbane, Perth and Melbourne and from a quality-accredited plant in the United Kingdom. Hills has a substantial share of many markets.

ACHIEVEMENTS

Hills' success has been achieved through innovation and marketing know-how. The company has the ability to change with the times, responding to consumer demands with products that are designed to complement today's busy lifestyle. These changes have been reflected in many products manufactured by



Hills Industries but none more so than in the rotary clothesline.

The Hills Hoist is so essentially Australian that it featured in the closing ceremony of the 2000 Sydney Olympics, celebrating its status as an emblem of Australian enterprise and an icon of Australian culture. The photograph of the Hills Hoist in the burning backyard of a Canberra property in 2002 typifies this iconic status.

Hills is also now Australia's leading manufacturer and supplier of television reception antennas (including satellite dishes) and distribution equipment, and is the leading distributor of electronic security products in Australia and New Zealand. Hills has expanded further by creating joint ventures in a number of industries. Examples include Orrcon (precision and structural steel tubing), Fielders (roll-formed metal building products) and Korvest (cable support systems, galvanising and filing cabinets).

HISTORY

The Hills story began with a simple idea to build a better clothesline. In Adelaide in 1945, Lance Hill was looking for something to stop his wife's washing from tangling with their backyard orange trees. From water pipe and wire he put together a rotary clothesline. It was very different from the single line and push-up pole seen in most backyards, and the first Hills Rotary Clothes Line - as it was then known - had been born. Soon neighbours and family members were talking about the odd-looking invention and orders began to roll

in. Lance teamed up with his brother-in-law Harold Ling, and the family business soon outgrew the backyard shed in which it had begun.

Within two years, an expanded range of laundry products reached the market. Despite demand outpacing production, Harold Ling's enthusiasm for continuing growth saw branches established in the eastern states. Later, agencies were set up in London and New Zealand. By the end of 1955, Hills was ready for mass production with new premises in Adelaide.

The arrival of television in 1955 offered further opportunities for the company's tube manufacturing facilities. A research and development program was established and a range of Hills television antennas followed.

Diversification has played a major part in the company's success and while Hills continues to expand its consumer product range, it has also moved successfully into industrial products and electronics. Beginning with a simple idea, Hills has become a highly successful multi-national organisation.

Since it began operation in the 'forties, Hills has also become a household name. It is one of Australia's most successful and trusted companies with a diverse range of its own products and many more through the acquisition of other prominent Australian companies such as Bailey, Mote Kennett and Oldfields Ladders, Kelso Wheelbarrows, Homeguard (now Hills) screen and security doors, Direct Alarm Supplies, Vicam CCTV Systems, Pacific Communications, Fielders, Orrcon, Ezy Strut, Elite Built, K-Care and Triton.



THE PRODUCT

The name Hills immediately identifies the company with its national icon, the rotary clothesline. Efficient and user-friendly means of drying clothes outdoors are still central to the Hills philosophy. But while a galvanised version of the original model is still produced, a complete new range has also been developed to suit the needs of modern day consumers. And of course the name Hills is no longer representative simply of drying equipment.

For larger families, rotating clotheslines remain the most popular providing plenty of space for family washdays. With less space increasingly being provided for backyards, Hills also has an extensive range of compact folding and retractable clotheslines designed for balconies and courtyards. The indoor laundry is also catered for with ironing boards, mobile clothes stands and space-saving clothes airers.

Hills also makes Australia's largest range of ladders and wheelbarrows, manufactured to withstand the rigours of the professional trade and demands of the do-it-yourself market.

Ladders and wheelbarrows are sold under brand names: Bailey, Oldfields Ladders, Ladderweld and Kelso, all renowned for their quality and reliability. Hills also produces handcarts, trolleys and a variety of garden sprayers. The company has an important role in the home protection market with top quality screen and security doors marketed under the Hills name. For children it produces a range of garden swing sets, slides and trampolines under the Playtime label.

A recent addition to the Hills group of companies is Fielders, a name synonymous with roofing for more than 100 years. Initially providing roofing materials, it now manufactures and supplies steel doorframes, Centenary carports, verandas, sheds, fencing and steel flooring systems as well as providing comprehensive support in all aspects of building and construction.

Hills subsidiary Orrcon, in the Industrial Products Division, supplies a complete range of steel tubing to industry, from small diameter precision tube for fencing and furniture to large structural steel sections



used in construction. In addition, Orrcon has recently commissioned a tube mill to supply pressure pipe for gas.

Another recent addition is the K-Care Group in Perth. K-Care manufactures and distributes a superior and comprehensive range of specialised mobility equipment making life more pleasant for senior citizens and people with a disability.

In the early 1990s Hills identified electronic security as a long-term growth opportunity. By a combination of acquisition and organic growth, Hills' electronic security businesses, Direct Alarm Supplies and Pacific Communications, have grown to be the market leaders in Australia and New Zealand. Hills represents the world's leading security companies in these markets, and carries products ranging from simple domestic applications to access control and CCTV systems suitable for high security applications such as casinos and prisons.

In October 1999 the famous Triton range of innovative woodworking products for DIY enthusiasts was added to the list of consumer items. Together with the Triton Series 2000 Workcentre, they are further examples of Hills commitment to high quality Australian-made products.

The combined total of products from this group of companies has broadened Hills' business interests and widened the traditional customer base.

RECENT DEVELOPMENTS

Hills is and remains the industry leader in multi channel microwave antennas, but the company now also enjoys strong sales to pay TV operators in Australia.

As the leading manufacturer and marketer of clotheslines in the UK, Hills recently entered into a joint venture to manufacture and market its innovative range of new products and indoor clothes dryers throughout Europe, featuring its patented VarioProtect hidden line rotary clotheslines.

Hills' electronic security division recently released the Hills Home Hub, the gateway to home automation using the range of Hills products including security, internet access, lighting control and a range of other lifestyle applications.

PROMOTION

In 2003, the company introduced a new stylised logo to better capture the contemporary nature of the business. The colours red and blue, adopted

long ago, have been retained in keeping with Hills' long and successful heritage.

Continuing market research has demonstrated extremely high brand recognition and survey results have shown unprompted awareness of the Hills brand at 82 per cent and total recognition at almost 100 per cent.

Among other brands under the Hills umbrella, the Bailey and Kelso brands are also gaining brand recognition. The company's promotional activity is focused on retail customers to maximise sales opportunities. This strategy has resulted in a strong association with major retailers around Australia and a growing consumer

demand for the products.

Brand awareness is a major consideration in the company's marketing mix and media campaigns providing the endorsement link between Hills and its sub-brands have been launched.

BRAND VALUES

The Hills name and brand are key assets. In November 2002, a review was conducted among major stakeholders to establish words or images associated with the Hills brand name. Several hundred employees, shareholders and customers were surveyed. Words most commonly associated with Hills were 'clotheslines', 'Australian', 'quality' and 'conservative'.

Hills Industries remains a solid, dependable Australian company with technical superiority and many clever products and services – in fact the clothesline was just the first of many clever Hills products. Long-term success depends on the high quality of all Hills products. Commitment, innovation, research and development and advanced technology are taking the company into a progressive new era.

Hills' strategy is to continue developing competitive businesses in its three main industry segments. The aim is to be product innovators and market leaders and to achieve a sensible level of diversification within each industry segment to minimise the impact of short-term changes in markets and economies.



THINGS YOU DIDN'T KNOW ABOUT HILLS INDUSTRIES

- In 1994, Hills celebrated the sale of its five millionth Hills Hoist, an event the whole country recognised as a milestone. The Hills Rotary Hoist had become an emblem of Australian enterprise.
- To celebrate the first 50 years of the Hills company, the Adelaide Festival of Arts chose the Hills Rotary Hoist as a symbol to promote and market the 1996 program of cultural events to the world.
- During the closing ceremony of the Sydney 2000 Olympic Games, the Hills Hoist was prominent, a tribute to the significant role that Hills products have played in Australian culture.