BSA and Hills Antenna Merger

On 7 December 2007, Hills Industries Limited (**Hills**) and BSA Limited (**BSA**) announced they had entered into a merger implementation agreement that provided for the proposed merger of Hills' existing Antenna & TV Systems business (consisting of a number of long established businesses in Australia and New Zealand) with BSA (**Transaction**).

The Transaction was subject to the satisfaction of a number of conditions, including a condition to take into account potential volatility of the share market, ie that the S&P ASX200 index not close below 15% from the level at which it closed on the date of the merger implementation deed, on more than 5 consecutive business days.

Since entering into the merger implementation agreement, the share market has experienced a period of volatility, such that the S&P ASX200 index has closed more than 15% lower on more than 5 consecutive business days.

In light of that occurring, Hills and BSA have agreed the Transaction will not proceed, and the merger implementation agreement has been terminated.