NEWS RELEASE **24 MAY 2006**

HGL REPORTS LIFT IN NET PROFIT, INCREASES DIVIDEND

Long term business investor, HGL Limited (ASX Code: HNG), today reported a lift in net profit for the six months to March 31 2006.

Net profit after tax and minorities was $4.6 million compared to $2.6 million last interim.

Directors approved a 23 per cent increase in the interim dividend to 5.4 cents a share fully franked from 4.4 cents.

Assuming stable economic conditions, directors believe the recurring after tax profit will exceed $8.0 million for the full year compared to $7.0 million in 2005.

Recurring after tax profit which is derived from HGL's eleven import and distribution businesses, funds management interests, and dividend income from listed investments increased 56 per cent to $3.9 million ($2.5 million).

Mr Kevin Eley, HGL chief executive officer, attributed this improvement to higher returns from our businesses, all of which are owned in conjunction with people that manage them.

We are hopeful that our disciplined and patient approach to investing will lead to the expansion of the portfolio over time," Mr Eley said.

HGL's import and distribution businesses have a wide range of branded items. Among these are beauty products, hats, sunglasses, specialist lighting, large format printers, pharmacy products, point of sale equipment and quality printing fabric.

For the six months to March 31 2006, earnings before interest and tax (EBIT) from import and distribution businesses increased 37 per cent to $7.8 million from $5.7 million and HGL had $57.8 million invested in these businesses giving an EBIT to capital employed return of 27 per cent.

HGL's funds management interests include a 37 per cent holding in unlisted boutique funds manager MMC Asset Management which had total funds under management at $596 million as at March 31 2006 including $244 million in listed investment company MMC Contrarian Limited.

HGL, listed on the ASX (ASX Code: HNG), has a market capitalisation of approximately $100 million.

ISSUED FOR : HGL LIMITED (ASX CODE: HNG) website: **www.hgl.com.au**

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