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Record Profits/Dividends and Finder's Fees Paid to HGL Shareholders

Dear Shareholder,

Interim Dividend

Enclosed please find your dividend statement in relation to the payment of the interim dividend for the six months to March 2007.

As already advised HGL had a 154 per cent rise in Profit after Tax from \$4.6 million to \$11.7 million in the six months to March 31, 2007. The half year includes a profit after tax of \$6.7m from the sale of our 37% interest in MMC Asset Management Limited and the cancellation of our management contract with MMC Contrarian Limited.

The fully franked interim dividend was increased from 5.4 cents per share to 6.2 cents representing 14 per cent compound, annualised growth over the last 3 years.

The record profit continues our strong growth in recent years and our expansion program to increase shareholder value and lift profits and dividends over the next few years.

Acquisition fee paid to a shareholder for introducing an investment

In April 2007 HGL announced the acquisition of Biante, Australia's leading model car collector group for \$8 million – our fifth acquisition over the last four years.

I am delighted to advise that Biante was indirectly introduced to HGL by Russell Lester from Growth Equities Pty Limited, a shareholder in HGL.

As a result of the introduction and the successful acquisition, HGL has paid Growth Equities Pty Limited an introductory fee of \$80,000. This is in line with our policy as set out in our acquisition criteria on page 11 of our 2006 annual report.

We would be delighted to pay a fee to our shareholders if they can make similar introductions, which result in successful HGL acquisitions.

Please call Tony Holley at HGL on (02) 9221 7155 if you have any introductions you think you can make that help us grow the business through acquisitions.

Outlook

As advised to you at the time of our interim results, HGL expects to build on our first half results over the remainder of our 2007 financial year.

With stable economic conditions and the benefit of the Biante acquisition, HGL anticipates a strong second half and an increase in the final dividend (2006: 6.2 cents fully franked).

Thank you for your support.

Kevin Eley
CEO of HGL Ltd
(02) 9221 7155 or 0414 457 254

5 July 2007

HGL Limited
ABN 25 009 657 961

investing in businesses