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HGL - Interim Profit Update

HGL (ASX code: HNG) announces an anticipated 14 per cent rise in core profit to approximately $5.0 million for the six months to 31 March 2008 and a lift in the company's fully franked interim dividend. Core profit excludes items that are capital in nature.

Subject to the finalisation and announcement of the half year results later this month, the board anticipates that the interim dividend will be increased from last year's 6.2 cents per share fully franked.

HGL will recognise an after tax impairment charge of $7.7 million on the decline in the market value of its 13 per cent interest in funds manager MMC Contrarian (ASX code: MMA). In addition there has been a reduction of $10.3 million after tax in unrealised revaluation reserves, arising from valuing the other listed securities, including the company's 6 per cent interest in funds manager Hunter Hall (ASX code: HHL), to market at 31 March 2008.

The reduction in the reserves and the impairment charge partially reflects the overall decline of share market values, especially in the funds management sector. As a result, HGL anticipates that it will report an after tax loss of approximately $3.0 million for the six months to 31 March 2008.

The positive trading conditions experienced in the first three months of the 12 import and distribution businesses reported by the Chairman, Peter Miller, at the company's Annual General Meeting in February, 2008, have continued to March 2008. Earnings before interest and tax rose 32 per cent to approximately $9.3 million. This rate of growth is higher than the guidance given at the Annual General Meeting, at which the chairman estimated an improvement of at least 20 per cent.

More commentary on the half yearly results will be provided when they are issued later this month.

For further information call:

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About HGL:

HGL (ASX code: HNG) owns 12 import and distribution businesses; acquisitions typically occur when business owners seek to retire. All businesses within HGL are held for the long term and are effectively partially owned by their management.

HGL owns 13% of MMC Contrarian and 6% of Hunter Hall; these investments in listed fund managers are complemented by a number of smaller investments in listed companies.