

BSA Limited

Investor Presentation Hills Merger Transaction

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Agenda

- **Why the Merger?**
- **The Transaction Explained**
- **Shareholder Impact**
- **What we will Look Like**
- **Financials & Projections**
- **What are we Getting?**
- **Summary**



Why the Merger?

- **Consistent with BSA's strategy to diversify the business**
- **Formation of a vertically integrated business with significantly enhanced diversity and quality of earnings**
- **Revenues approaching \$370 million**
- **Hills bringing product opportunities in markets that have growth, in particular**
 - Satellite delivery of voice
 - Data and telephony services
 - A presence in the audio visual retail market
- **Cost synergies should be realised as a result of improved purchasing power across a number of areas**

Why the Merger?

- **Strengthens the balance sheet, supporting strategy of seeking sensible acquisitions to complement the recent Triple M acquisition**
- **Stronger balance sheet also allows BSA to participate in markets previously considered out of reach**
- **Geographic coverage now extends internationally to New Zealand**
- **Hills Divisions acquired are immediately accretive**

The Transaction Explained

- Acquire Antenna & TV Services divisions from Hills Industries Limited for 92.3 million Shares
- Hills acquire a further 52.8 million shares at 90 cents per share for \$47.5 million to achieve 50.1% ownership of BSA
- A reduction of capital to existing shareholders of approximately 25 cents per share followed by a conversion of 4 existing BSA shares into 3 BSA shares
- Fully-franked interim dividend of approximately 3.5 cents per existing share
- Total cash to shareholders 28.5 cents per share
- Transaction requires shareholder and independent expert support to proceed

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The Transaction Explained

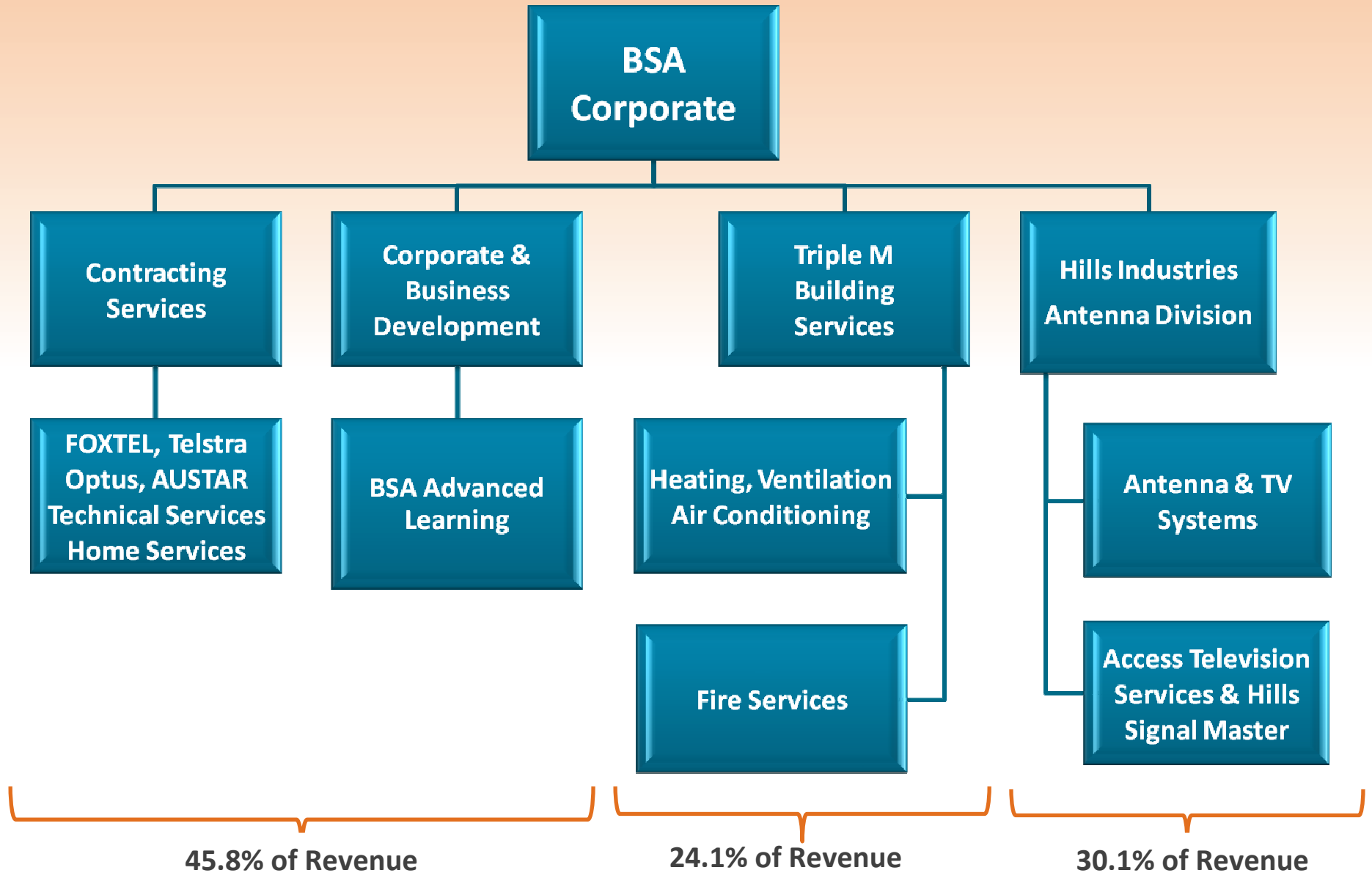
Hills Antenna Divisions to Be Acquired	Current Projections
Reported (Projected) EBIT	\$8.4 m
Valuation Multiple <ul style="list-style-type: none"> • Trailing • Projected 	6
Acquisition Price – 92.3 million shares @ 55 cents	\$50.8 m

- Hills Divisions acquired are immediately accretive

Shareholder Impact

Impact to "Example" Shareholder 10,000 Ordinary Shares	
Cash Consideration	
Return of Capital Per Share at Record Date: Approximately 25 cents	\$2,500 (approx)
Fully-Franked Interim Dividend: Approximately 3.5 Cents per Share held at record date	\$350 (approx)
Total Cash to Shareholders	\$2,850 (approx)
Total Cash to Shareholders – Per Share	28.5 cents (approx)
Number of Shares	
Shares Held at Record Date	10,000
Consolidation from Record Date	7,500

What we will Look Like



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Hills Support Existing Executive Team

- **Mark Foley remains Managing Director of BSA Limited**
- **Mark Lowe remains Managing Director of Triple M**
- **David Simmons to be appointed Chairman**



Impact on Profitability

Increasing profitability and dividend

	June 2008 Forecast (Excl Hills)	June 2008 Pro forma (Inc Hills)	Movement
Revenue \$	\$255 m	\$370 m	Up 45.1%
EBIT \$	\$19 m	\$28 m	Up 47.4%
NPAT	\$12 m	\$19.2 m	Up 60%
Basic EPS	6.6 cents	6.64 cents	Up 0.6%

Key Financial Metrics

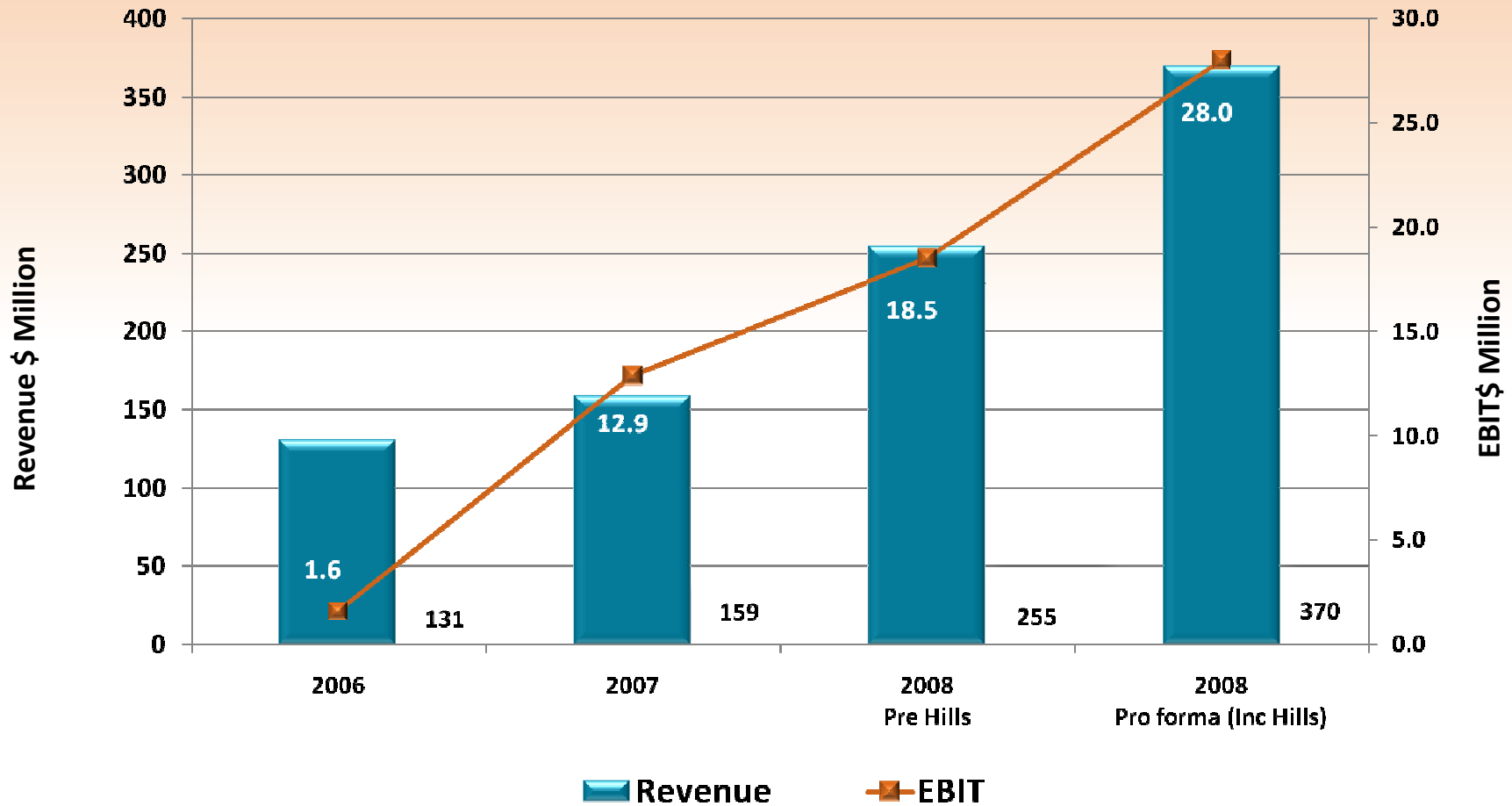
Attractive investment fundamentals vs peers and market

	June 2008 Pro forma (Inc Hills)	All Ords	Sector
P/E Ratio	10.5	16.7	18.8
Dividend Yield *	7.6%	3.9%	3.9%
Debt : Equity	28%	-	-
Forecast Revenue	\$370 m	-	-
Forecast EBIT	\$28 m	-	-
Forecast NPAT	\$19 m	-	-

* Note: Yield based on inclusion of Hills Divisions results for 3 months of the Financial Year

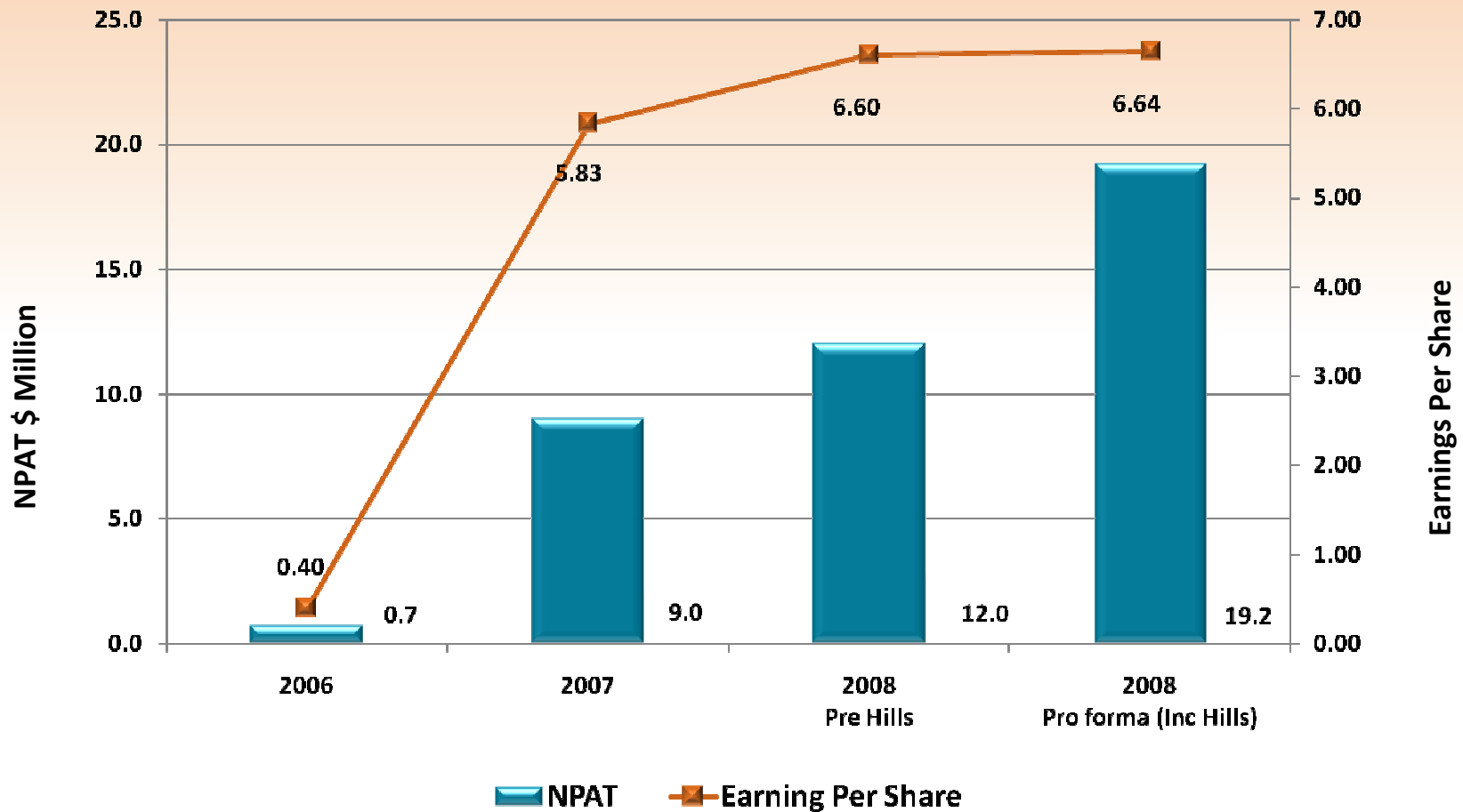
Revenue and EBIT Trend 2006 – 2008

Longer term trend shows sustained growth



NPAT & EPS Trend 2006 - 2008

Longer term trend shows sustained growth



What are we Getting?

- **Antenna & TV Systems**
 - The leading supplier in Australia and New Zealand of a wide range of television reception and distribution equipment.
- **Access Television Services**
 - Provides outsourced in-home fulfillment services to regional subscription television provider AUSTAR
- **Hills Signal Master – New Zealand**
 - One of New Zealand's largest installation companies
 - Importer and distributor of antenna, satellite, MATV, SMATV, cable, home theatre, and microwave equipment and associated accessories

Summary

- Cash to shareholders of 25 cents per share
- Interim fully franked dividend of 3.5 cents per share
- Supports the BSA growth agenda
- Opens new markets for BSA
- Grows revenues to approximately \$370 million
- BSA & Triple M positioned to exploit opportunities from Hills associated companies (Orrcon, Fielders, Ezy-Strut, Woodroffe)