

HEADLINE

Group Limited

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15 May, 2008

For immediate release to the market

Chairman's Statement – Executive Employment Agreement

Please find attached for release to the market the Chairman's Statement regarding the Company entering into an Executive Employment Contract with the Company's Managing Director, Mr Gordon Elkington.

Headline Group Limited



Ian Gordon
Company Secretary

May 15, 2008

For immediate release to the market

Chairman's Statement – Executive Employment Agreement

Headline Group Limited ("HLD") today announced that it has signed an Employment Agreement with Managing Director, Gordon Elkington which secures his services for a further period of three years.

Securing and retaining the services of competent management at all levels is fundamental to business success. The agreement with Gordon underwrites what will be a busy and productive time for HLD and one designed to achieve scale and profitable growth thereby strengthening shareholder value and earnings.

As outlined in the 2007 Annual Report HLD is in the rebuild phase with attractive opportunities to both diversify our business base and drive the growth of the existing giftware business.

Gordon is well-known and highly respected by customers and other stakeholders as a leader possessing the necessary expertise and relationships fundamental to business success.

The Employment Agreement provides for a payment of up to eighteen months salary (depending on the unexpired term) in the event that Mr Elkington's employment is terminated by the Company without cause. The Employment Agreement also provides conditions that restrain Mr Elkington's conduct. Finally there is no change to Mr Elkington's existing salary arrangements as already disclosed.

In conclusion and on behalf of my fellow Directors I would like to take this opportunity to acknowledge the outstanding job that Gordon has done in managing a destabilised HLD through a period of corporate housekeeping and consolidation and for the leading role he played in the divestment process. During recent months Gordon has played a pivotal role in the management of Skansen which is now restructured and has a highly experienced and motivated sales and operations management team.

John K Fox
Chairman