

HEADLINE

Group Limited

Presentation to HLD Shareholders

Annual General Meeting

November 28th, 2008

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- **Summary of 'Where We Are'**
- **Skansen Update**
- **HLD Strategy, including investment / acquisition considerations**

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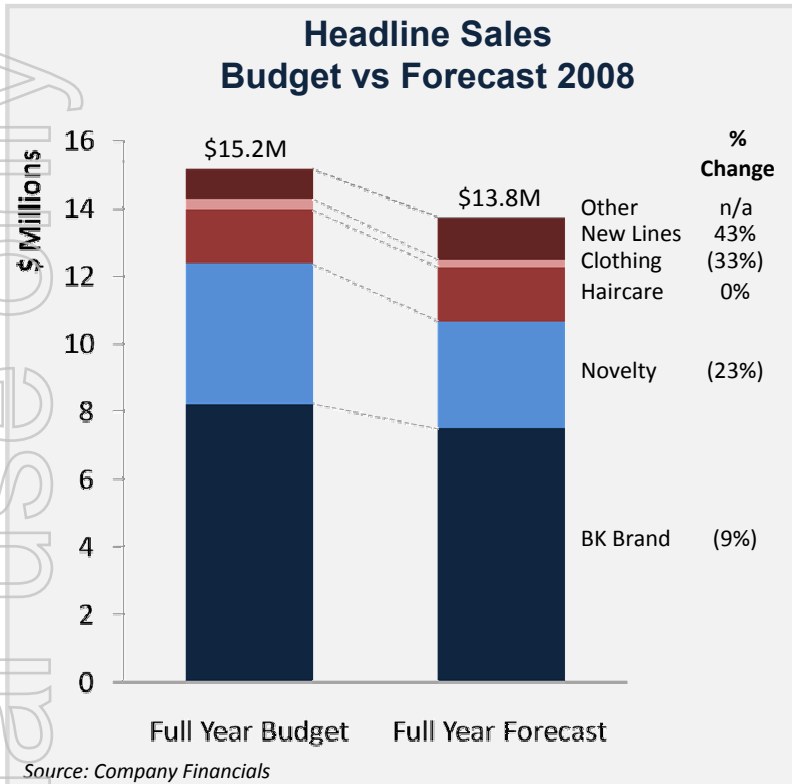
While the economic downturn is impacting Skansen, the cash position of the company is improving and HLD's management structure is solid

Company Highlights

- **Skansen remains profitable but sales volumes and margins are under pressure in current retail and economic environment**
- **Properties being sold**
 - Settlement imminent on '151'; \$3M to be banked on 3/12 with remaining \$0.5M due in January
 - On '152', been to auction and interest there, but not yet closed
- **Cash at \$10M post settlement**
- **No debt**
- **New board functioning cohesively**

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EBIT projection of \$1.0M due to weak AUD and very difficult retail environment



- **Summary of KPIs**

- Sales volume expected to decline 8%
- Fixed costs stable at projected levels
- Stock at \$1.3M
- Branding remains strong: Atticus scenario

- **New licenses brought on with exciting revenue potential**

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New Licenses present organic growth potential without requiring incremental cost addition...



TOP VIEW - OPEN BOX



TOP VIEW - CLOSED



unit cost \$5.65



Whiskey tumbler with logo printed one area.



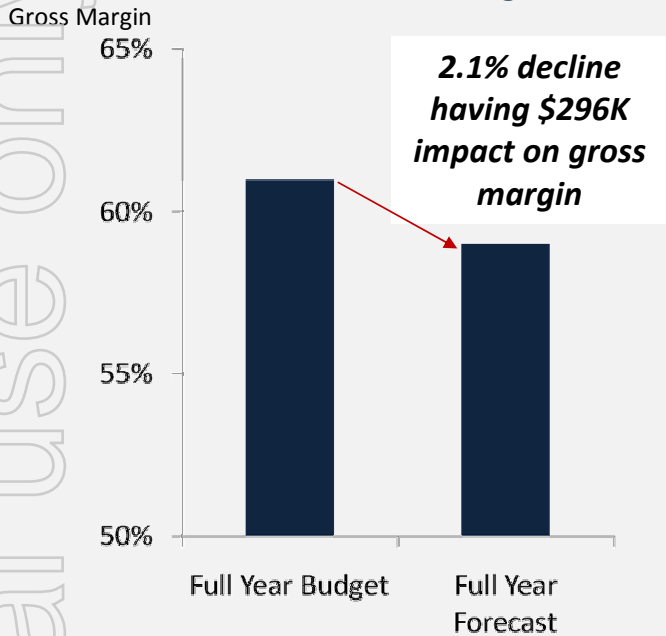
Set of 4 whiskey tumblers in gift packaging
Quality cardboard printed packaging with two open cut areas for display

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Skansen Update (ii)

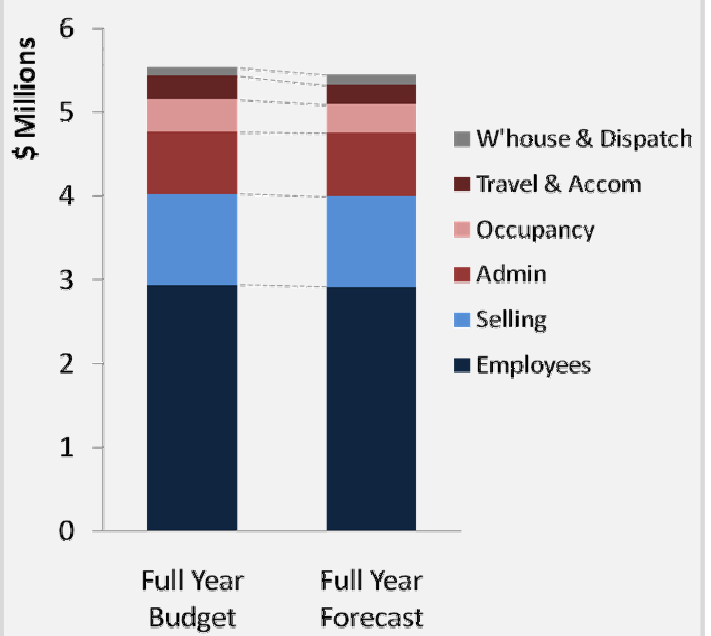
Gross margin has been negatively impact by the decline in AUD while operating expenses have remained in line with forecasts

Impact of AUD Decline on Skansen Gross Margin



Source: Company Financials

Skansen Expenses Budget vs Forecast 2008



Source: Company Financials

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HLD is pursuing three key elements to its growth strategies

1 Grow Skansen to scale via organic growth & 'bolt-on' acquisition(s)

- Organic growth via aspirational brand licenses
- Rapidly increase scale and gain greater leverage over core competencies via synergistic sector acquisition(s)

2 Build BK Online asset

- Without dedicated focus, already no. 8 kids website, no. 2 for stickiness, no. 2 for page impressions – substantial opportunity for growth

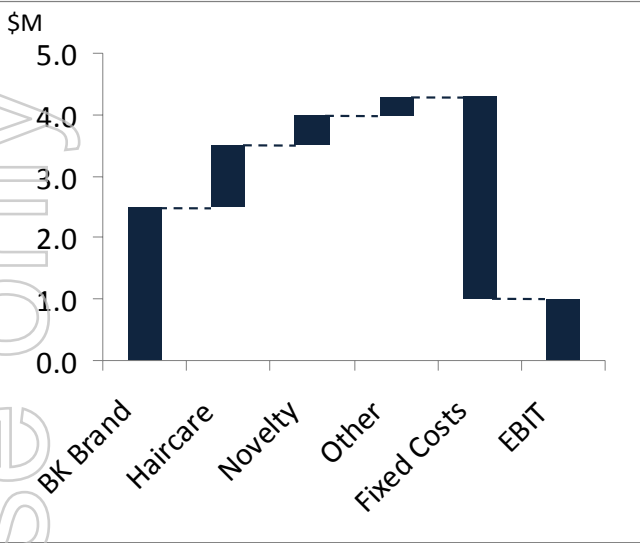
3 Invest into growth segment for new avenue of growth for HLD

- Criteria identified and deals currently being sought/negotiated

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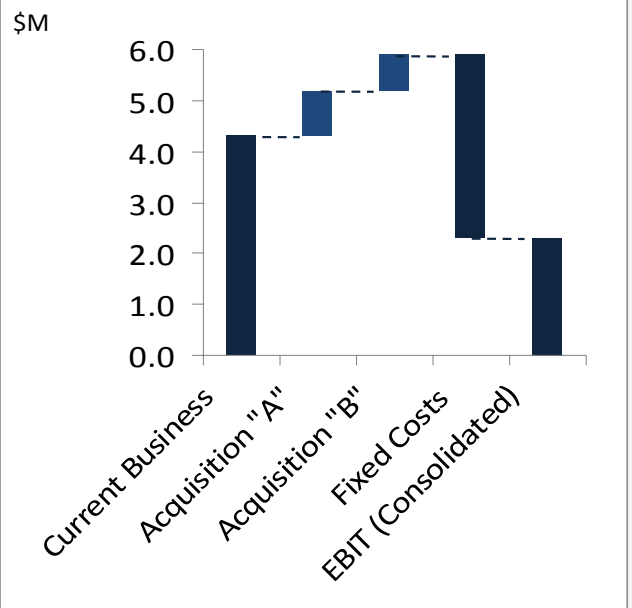
1 Skansen Post Acquisition Strategy

Product Profit Contribution



'Fixed cost base' has capacity to manage greater volume / revenue

Impact of Acquisitions



EBIT will more than double with minimal capital outlay and utilization of Skansen fixed cost base

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2 Build BK Online Asset

Strategy to leverage existing online asset into core growth channel

- Transition asset from Collectible Plush value-add to stand-alone business unit
- Complete recruitment of experienced and incentivized management team
- BK online business model to evolve to kids virtual world
 - Fastest growing internet sector, with segments in games/activities, learning and social networking
- Revenue from advertising/ sponsorships, virtual product sales, BK secondary market exchange, ecommerce on Beanie Kids line extensions and virtual world subscriptions
- There are potential acquisitions into adjacent sectors. Discussions underway...

www.beaniekids.com



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3 New Sector Acquisition

Market conditions increasingly favoring HDL's position....

- Value of cash increasing as business valuations tumble
- However, there is still a gap between private sector expectations and public market
- Focused approach on sectors with medium term growth fundamentals
- Criteria established and being adhered to as filter for opportunities

3 New Sector Acquisition

Key assessment criteria for new acquisitions focus on financial attractiveness and operational feasibility

Financial Attractiveness

Operational Feasibility

Business Maturity

- Cash flow positive operations but with strong growth potential

Size

- Deals with <\$10M cash requirements

Leverage / debt levels

- Debt levels are less than 3x's EBITDA or a leverage ratio of less than 50%

Minimum Return

- Minimum Return on Equity forecast of 20% post acquisition

Cash "In" vs. "Out"

- >50% of cash to remain inside the business for future business development

Shareholding %

- Opportunity for acquisition as a controlling shareholder

Market Profile

- Targeting a growth market (>5% YoY) for last 3 years, and forecast growth for next 4 years

Technology Risk

- Minimal exposure to risk of failure in underlying technology of products / services

Mgmt Team / Processes

- Stable and retainable management team

Geography

- Executive management of the company must operate in Australia

Summary...

HLD is poised to enter a new phase of growth....

- **While we have forecast lower earnings for Skansen, the BK brand remains very strong and provides an excellent vehicle from which to drive organic and acquisitive growth to arrive to greater scale**
- **The BK online presence is an asset upon which significant growth can be built in the online sector – specifically targeting BK’s core audience of kids, aged 6 – 12**
- **We are adhering to a rigorous set of criteria to filter the increasing number of attractive investment opportunities that are arising out of the changed economic environment. We are aggressively pursuing options where funds will be invested into entities to drive growth**

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