

30 October 2008

**For immediate release to the market**

## MARKET UPDATE

The Directors of Headline Group Limited ("HLD") wish to update shareholders of recent developments for the company.

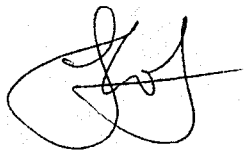
It was previously announced in July that we expected settlement on the sale of one of the Lisarow properties in October. This settlement has been delayed until the 21<sup>st</sup> of November 2008. The board now expects completion to be finalized on this date. The Company has retained the non refundable deposit of 10 per cent.

The second and remaining property in Lisarow is to be auctioned on November the 9<sup>th</sup>.

In the same July letter to shareholders, it was announced that the Company would continue to seek acquisitions in sectors including mining services and related infrastructure segments. We are increasingly well positioned in the current economic environment to leverage our strong balance sheet. We are progressing talks with prospective acquisition targets and while no agreements have been reached, the opportunities remain appealing and we are optimistic about delivering positive shareholder returns even in this difficult climate.

Headline's only remaining operating subsidiary, SKANSEN is also seeking to increase its size and build on its robust base. The board is actively engaged in negotiations with other similar-sized giftware businesses where a merger or attractively-priced acquisition scenario would increase Skansen's retail outlet reach, and provide scale in operations and fixed cost coverage. Such a transaction would aid Skansen's trading performance at a time when the economic downturn has reduced retail sales activity and the decline in the value of the Australian dollar is putting significant pressure on gross margins.

**Headline Group Limited**



Gordon Elkington  
Managing Director