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GUD Holdings Limited  
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**Title** : Open Briefing. GUD Holdings. CEO Updates Profit Outlook

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GUD Holdings Limited advised shareholders of an improved operating performance in the first 3 months at this year's AGM. Has the trend remained positive and what is the profit outlook for the six months to December 2001?

**CEO Ian Campbell**

Despite some concerns and the uncertain economic environment the trend has remained positive. In the absence of any shocks, we are expecting to report around a 10 percent increase in EBITA in the six months to December 2001.

Within the Sunbeam Victa division, the recent consumer response to our Sunbeam range of appliances has been very positive and that is driving us forward. Victa has performed steadily and I'd expect its performance to improve as we move into warmer weather. The Sunbeam rural business, just sold, has improved sales in domestic and export markets. In other divisions, Davey pump exports have slowed but sales in Australia and New Zealand have been in line with expectations, returns from the Filtration division have improved further and Lock Focus has recovered with the pick-up in building industry activity.

But our net result after tax will be negative as advised previously due to the one-off \$18 million charge announced in August due to the Campsie factory closure and business relocation.

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What has been the economic impact on GUD of the September 11 attacks in the US and corporate collapses, in Australia, such as Ansett?

**CEO Ian Campbell**

Australian consumer confidence was obviously dented in September but our Sunbeam appliance sales were strong in October and November so I can only assume the domestic hit to confidence was short-lived.

Our experience in export markets has been different. Sales of Davey pumps in Asia and the Middle East slowed in September and have yet to recover in a meaningful way.

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Last week, GUD announced the sale of the rural products division to Tru-Test of New Zealand. What was the sale price and how does that compare to book value?

**CEO Ian Campbell**

We manage our business on financial criteria geared to overall shareholder returns and the sale of the rural business will add value. We'll use the cash to strengthen our balance sheet and to assist us in funding our on market share buy back. We're pleased with the outcome but details of the transaction are confidential.

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Debt will obviously fall due to this sale. What is a realistic net debt target?

**CEO Ian Campbell**

Inventories are well under control going into December and we are on target to achieve net debt levels below that experienced since 1998. We expect June 2002 net debt of less than \$60 million.

Our net debt peaked at \$80.6 million in June 1999 and we've managed it down from that peak despite our share buy back program and dividends each year of 15 cents per share.

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To what extent will the sale of the rural products division reduce Campsie closure relocation costs?

**CEO Ian Campbell**

We've always quoted an aggregated number and we're not going to split it out now.

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Is the closure and relocation going according to plan?

**CEO Ian Campbell**

Yes it is. All activities are on time and on budget.

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Are you still confident about sustaining \$5 million in EBIT improvements due to the relocation of businesses from Campsie?

**CEO Ian Campbell**

Yes. The \$5 million in EBIT improvements we've forecast relates only to the tangible benefits we've identified.

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In what year will that \$5 million EBIT improvement be evident?

**CEO Ian Campbell**

We vacate the Campsie site in August 2002 and benefits should flow from then.

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Thank you Ian.

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