

**Attention ASX Company Announcements Platform  
Lodgement of Open Briefing**



**corporatefile.com.au**

GUD Holdings Limited  
245 Sunshine Road  
Sunshine  
Victoria, 3020

---

**Date of lodgement:** 10-Dec-2003

**Title:** Open Briefing. GUD Holdings. Performance YTD & Outlook

**Record of interview:**

**corporatefile.com.au**

At the AGM in October, GUD Holdings Limited Chairman, Ken Spencer, said the business was performing ahead of budget and ahead of last year. Has the business maintained positive profit momentum and what is the outlook for the half year ending December?

**CEO Ian Campbell**

For the five months ending November we continued to beat budget and we are well ahead of last year. Across the group, operating margins are higher, and that reflects cost reductions already achieved, new products, strong demand and our brand strength. All businesses have increased their operating contribution and are exceeding the cash value added (CVA) benchmark of 10 percent.

The profit result for the first half should comfortably reflect our forecast of double digit profit growth and that's after a one-off re-structuring cost of \$3.2 million within the filtration division.

**corporatefile.com.au**

To what extent has the stronger Australian dollar impacted the group?

**CEO Ian Campbell**

Within the filtration division we've adapted our strategy and moved to lower our cost structure and increase imports. The restructuring will have a payback in 12 months from now and should ensure the Ryco brand continues to contribute

strongly to profit. In terms of the filtration division's year-to-date operating performance, Ryco's margin compression from the higher Aussie dollar has been offset by higher returns from Wesfil.

Across the group, we are both an exporter and an importer of product and the balance, in broad terms, insulates us from currency swings. For instance, Sunbeam imports the vast majority of its product range and the higher dollar has assisted margins, but we also export Davey pumps and some Lock Focus product.

**corporatefile.com.au**

The Christmas selling period is critical for your biggest division, Sunbeam Victa. What has been the trend in demand to date?

**CEO Ian Campbell**

Sunbeam has experienced strong demand from the retailers and the pull-through seems solid on the back of our marketing. Sunbeam has produced 70 new products for this season and the quality across our range has continued to rise. The trend in Victa is also well ahead of last year following the successful launch of the Razor mower and the easing of the drought. Victa's market share remains above 50 percent and we expect ongoing growth on the back of further product development. The efficiencies within the Sunbeam and Victa businesses ensure we get full value from successful product innovation. It's driving our growth.

**corporatefile.com.au**

Given the strong trading trend what is the outlook for debt?

**CEO Ian Campbell**

Our debt rises ahead of Christmas and Mothers Day as we build stock levels and usually declines quite rapidly in the last few months of the financial year. I'd expect that trend again this year with the possibility of net debt being less than \$10 million by year-end.

**corporatefile.com.au**

Have you made any progress on the acquisition front?

**CEO Ian Campbell**

We continue to reject businesses that don't meet our criteria. Given the strong underlying performance of our current businesses we are under no pressure to deal and we won't deal unless we are strongly convinced that an acquisition can add to shareholder wealth over the long term.

**corporatefile.com.au**

What is the outlook for your dividend?

**CEO Ian Campbell**

We anticipate a higher interim dividend compared with last year and we'd hope to maintain the upward trend for the final payment. We've got the potential to lift our dividend payout ratio and that's something the board will consider in conjunction with the December 2003 profit announcement due on January 29.

**corporatefile.com.au**

Thank you Ian.

---

For previous Open Briefings by GUD Holdings visit [www.corporatefile.com.au](http://www.corporatefile.com.au)

For further information on GUD Holdings Limited visit [www.gud.com.au](http://www.gud.com.au)