

# UBS Investment Research

## GUD Holdings Limited

Reasonable result in the circumstances but outlook is difficult

### ■ Event: NPAT 6% below expectations, 2% below consensus

GUD reported a normalised NPAT of \$40.2m up 3% from the \$39.2m in the pcp but 6% below our estimate of \$42.6m. Trading EBIT came in 3% below expectations with margins 0.4% below our 14.1% forecast and sales of \$463m down 1% from our forecast of \$467m. By division consumer products was the biggest disappointment (13% below UBS) while water was an area of strength (17% higher).

### ■ Impact: Reduce FY07E EPS by 11%, FY08 by 5%

Although the result was reasonable given a difficult retail environment the outlook was more concerning with GUD guiding to a flat result or slightly worse at the EBIT line even after taking into account the acquisition of Monarch Pool Systems (at least \$3m of EBIT). Increased prices for commodities are forcing GUD suppliers in China to seek significant price increases to counter their costs.

### ■ Action: Retain Neutral 2 on lower Price Target

Although we believe GUD's business is a more defensible and hence perhaps higher quality business than some in the sector the risks of higher interest rates, increased petrol prices and higher commodity prices will all act to make FY07 challenging for GUD. At a PER of 11.9x the stock is not overly cheap but should be supported by the healthy 7.6% yield.

### ■ Valuation: Price Target reduced to \$7.67 (from \$8.00)

Our new Price Target is based on an 11.5x FY07E PER.

Highlights (A\$m)	06/04	06/05	06/06E	06/07E	06/08E
Revenues	396.2	395.2	467.7	511.3	526.3
EBIT (UBS)	64.9	62.8	63.6	63.3	67.8
Net income (UBS)	44.0	41.9	40.2	39.9	45.5
EPS (UBS, A\$)	0.72	0.69	0.67	0.67	0.76
Net DPS (UBS, A\$)	0.40	0.50	0.60	0.60	0.63

Profitability & Valuation	5-yr hist. av.	06/05	06/06E	06/07E	06/08E
EBIT margin %	10.9	15.9	13.6	12.4	12.9
ROIC (EBIT) %	-	37.8	34.8	32.9	36.3
EV/EBITDA x	-	8.0	7.3	7.7	7.4
PE (UBS) x	8.4	12.3	11.8	11.9	10.4
Net dividend yield %	7.4	5.9	7.6	7.6	8.0

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptional and other special items. Valuations: based on an average share price that year, (E): based on a share price of A\$7.90 on 27 Jul 2006 20:40 AEST

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## Global Equity Research

Australia

Auto Parts

Rating **Neutral 2**  
**Unchanged**

Price target **A\$7.67/US\$5.81**  
*Prior: A\$8.00/US\$6.06*

Price **A\$7.90/US\$6.04**

RIC: GUD.AX BBG: GUD AU

27 July 2006

### Trading data (local/US\$)

52-wk. range	A\$8.62-7.03/US\$6.49-5.13
Market cap.	A\$0.47bn/US\$0.36bn
Shares o/s	59.9m (ORD)
Free float	100%
Avg. daily volume ('000)	181
Avg. daily value (A\$m)	1.5

### Balance sheet data 06/06E

Shareholders' equity	A\$0.14bn
P/BV (UBS)	3.3x
Net cash (debt)	(A\$0.05bn)

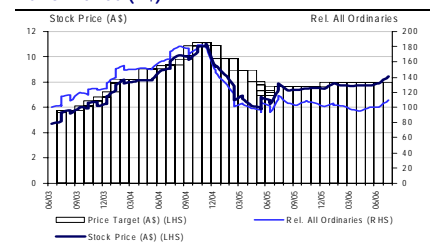
### Forecast returns

Forecast price appreciation	-2.9%
Forecast dividend yield	10.8%
Forecast stock return	+7.9%
Market return assumption	11.1%
Forecast excess return	-3.2%

### EPS (UBS, A\$)

	06/06E			06/05
	From	To	Cons.	Actual
H1	0.34	0.34	-	0.18
H2E	0.38	0.33	-	0.23
06/06E	0.71	0.67	0.69	
06/07E	0.76	0.67	0.74	

### Performance (A\$)



Source: UBS

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## FY06 Result Overview

Figure 1: FY06 Result Summary

Full year result	2005A	2006A	% chg	UBS 2006E	% Variance
<b>Sales</b>	<b>394.8</b>	<b>462.7</b>	<b>17%</b>	<b>467.8</b>	<b>-1%</b>
Consumer Products	215.1	282.3	31%	283.23	0%
Automotive	78.6	70.4	-10%	73.733	-5%
Water Products	87.5	96.7	11%	97.699	-1%
Security Products	13.3	13.0	-2%	12.989	0%
<b>Trading EBITDA</b>	<b>68.4</b>	<b>75.2</b>	<b>10%</b>	<b>75.4</b>	<b>0%</b>
Depreciation and amortisation	8.2	11.6	41%	9.5	22%
<b>Trading EBIT</b>	<b>60.2</b>	<b>63.6</b>	<b>6%</b>	<b>65.9</b>	<b>-3%</b>
Consumer Products	28.6	30.4	6%	35.1	-13%
Automotive	17.7	17.9	1%	17.6	2%
Water Products	11.1	13.9	25%	11.9	17%
Security Products	2.7	2.0	-26%	1.7	16%
Pre-tax abnormalities	-12.6	0	na	0.0	na
<b>EBIT</b>	<b>47.6</b>	<b>63.6</b>	<b>34%</b>	<b>65.9</b>	<b>-3%</b>
Net interest income/(expense)	-3.9	-6.7	73%	-5.6	20%
Net Profit Before Tax	43.7	56.9	30%	60.3	-6%
Income tax	13.3	16.7	26%	18.4	-9%
<b>NPAT</b>	<b>30.4</b>	<b>40.2</b>	<b>32%</b>	<b>42.6</b>	<b>-6%</b>
Significant items after tax	-8.8	0.0	na	0.0	na
<b>NPAT excluding significant items</b>	<b>39.2</b>	<b>40.2</b>	<b>3%</b>	<b>42.6</b>	<b>-6%</b>
Adjusted EPS	64.9	67.1	3%	71.1	-6%
DPS	50.0	60.0	20%	60.0	0%

Source: UBS estimates

### Sales

Sales were largely in line with expectations coming in 1% below our \$467m estimate. Most of the shortfall was attributable to lower than expected sales in automotive following the restructuring in FY05. Organic growth outside of the Oates acquisition appears to have been relatively subdued.

### Margins

Margins accounted for the majority of the disappointment in the result. By division consumer products in particular came in well below expectations at 10.8% vs. our 13.3% forecast. We believe most of this is due to higher commodity prices from suppliers being unable to be passed on to consumers. Water products margins were stronger than expected at 14.3%.

Figure 2: Divisional Breakdown

<b>Sales</b>		
Consumer Products	215.1	282.3
Automotive	78.6	70.4
Water Products	87.5	96.7
Security Products	13.3	13.0
<b>Trading EBIT</b>		
Consumer Products	28.6	30.4
Automotive	17.7	17.9
Water Products	11.1	13.9
Security Products	2.7	2.0
<b>Margins</b>		
Consumer Products	13.3%	10.8%
Automotive	22.5%	25.4%
Water Products	12.7%	14.3%
Security Products	20.1%	15.3%

Source: UBS estimates

## Other points

On a positive note we would note that the cash flow generation was strong coming in at \$57m vs. our estimate of \$48m. Against this we would point out that c\$1.3m of GUD's pre-tax profit was derived from the sale of a property in New Zealand.

## Earnings Changes

Figure 3: Forecast earnings changes

(A\$m, except per share)	Actual 2006	New 2007E	Prev. 2007E	% Change	New 2008E	Prev. 2008E	% Change
Revenue	467.7	511.3	482.5	6%	526.3	496.8	6%
EBITDA	70.7	70.0	78.0	(10%)	72.9	80.0	(9%)
EBITA	63.6	63.3	70.1	(10%)	67.8	72.8	(7%)
EBIT	63.6	63.3	69.5	(9%)	67.8	72.2	(6%)
Net interest expense	(6.7)	(6.4)	(4.6)	(39%)	(2.9)	(3.2)	10%
PBT	56.9	56.9	64.3	(11%)	65.0	68.3	(5%)
Reported NPAT	40.2	39.9	45.0	(11%)	45.5	47.8	(5%)
Net Profit (pre-abnormals)	40.2	39.9	45.6	(13%)	45.5	48.5	(6%)
EPS (pre-abnormals)	67.1	66.5	76.1	(13%)	75.9	80.9	(6%)
DPS	60.0	60.0	64.0	(6%)	63.5	68.0	(7%)

Source: UBS estimates

## Outlook

Although the result was a reasonable one in the circumstances given what appears to be a subdued retail environment (particularly in New Zealand and in the housing related consumer products categories) the outlook is somewhat more concerning.

GUD have guided to a flat to slightly lower trading EBIT in FY07 compared to FY06. This is 9% below our previous estimate of \$69.5m. More worryingly this is after taking into account the acquisition of Monarch Pool Systems (at least \$3m of EBIT given a return of at least 10% (greater than WACC) and an acquisition price of \$30m).

GUD's cautious outlook has been attributed to massively higher prices costs in many of the commodities GUD's products contain. Examples of commodities that have experienced significant price inflation included steel, aluminium, rubber, copper and plastic (derived from oil). Prices for these commodities are placing considerable margin pressure on GUD's suppliers in China who in turn require price rises from GUD to cover their costs. Given the competitive retail environment, high petrol prices and the threat of an interest rate increase GUD do not believe they will be able to pass the full extent of these costs onto the consumer.

## UBS View

Although we believe GUD's business is a more defensible and hence perhaps higher quality business than some in the sector the risks of higher interest rates, increased petrol prices and higher commodity prices will all act to make FY07 challenging for GUD. At a PER of 11.9x the stock is not overly cheap given the difficult retail environment and the downside risk this poses but should be supported by the healthy yield of 7.6%.

## Valuation

Our new valuation and Price Target is based on an 11.5x PER multiple. This reflects our belief that with negative organic growth GUD is unlikely to find a great deal of favour with institutional buyers in the current difficult retail environment.

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### ■ GUD Holdings Limited

GUD Holdings owns and manages a diverse group of businesses selling branded manufactured products in Australia and New Zealand. GUD operates several of Australia's most established and well-recognised consumer and industrial brands, including Sunbeam appliances, Victa lawnmowers, Ryco filters, Davey pumps and the recently acquired Oates Clean cleaning accessories. GUD was formed in 1940 and first listed in 1959.

### ■ Statement of Risk

Key risks include a downturn in spending on homewares in Australia, adverse currency movements and variations in the cost of raw materials.

### ■ Analyst Certification

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### UBS Investment Research: Global Equity Ratings Definitions and Allocations

UBS rating	Definition	UBS rating	Definition	Rating category	Coverage <sup>1</sup>	IB services <sup>2</sup>
<b>Buy 1</b>	FSR is > 10% above the MRA, higher degree of predictability	<b>Buy 2</b>	FSR is > 10% above the MRA, lower degree of predictability	<b>Buy</b>	48%	34%
<b>Neutral 1</b>	FSR is between -10% and 10% of the MRA, higher degree of predictability	<b>Neutral 2</b>	FSR is between -10% and 10% of the MRA, lower degree of predictability	<b>Hold/Neutral</b>	45%	35%
<b>Reduce 1</b>	FSR is > 10% below the MRA, higher degree of predictability	<b>Reduce 2</b>	FSR is > 10% below the MRA, lower degree of predictability	<b>Sell</b>	7%	32%

1: Percentage of companies under coverage globally within this rating category.

2: Percentage of companies within this rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS; as of 30 June 2006.

### KEY DEFINITIONS

**Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

**Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

**Predictability Level** The predictability level indicates an analyst's conviction in the FSR. A predictability level of '1' means that the analyst's estimate of FSR is in the middle of a narrower, or smaller, range of possibilities. A predictability level of '2' means that the analyst's estimate of FSR is in the middle of a broader, or larger, range of possibilities.

**Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

**Rating/Return Divergence (RRD)** This qualifier is automatically appended to the rating when stock price movement has caused the prevailing rating to differ from that which would be assigned according to the rating system and will be removed when there is no longer a divergence, either through market movement or analyst intervention.

### EXCEPTIONS AND SPECIAL CASES

**US Closed-End Fund ratings and definitions are:** Buy: Higher stability of principal and higher stability of dividends; Neutral: Potential loss of principal, stability of dividend; Reduce: High potential for loss of principal and dividend risk.

**UK and European Investment Fund ratings and definitions are:** Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Reduce: Negative on factors such as structure, management, performance record, discount.

**Core Banding Exceptions (CBE):** Exceptions to the standard +/-10% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Companies Mentioned table in the relevant research piece.

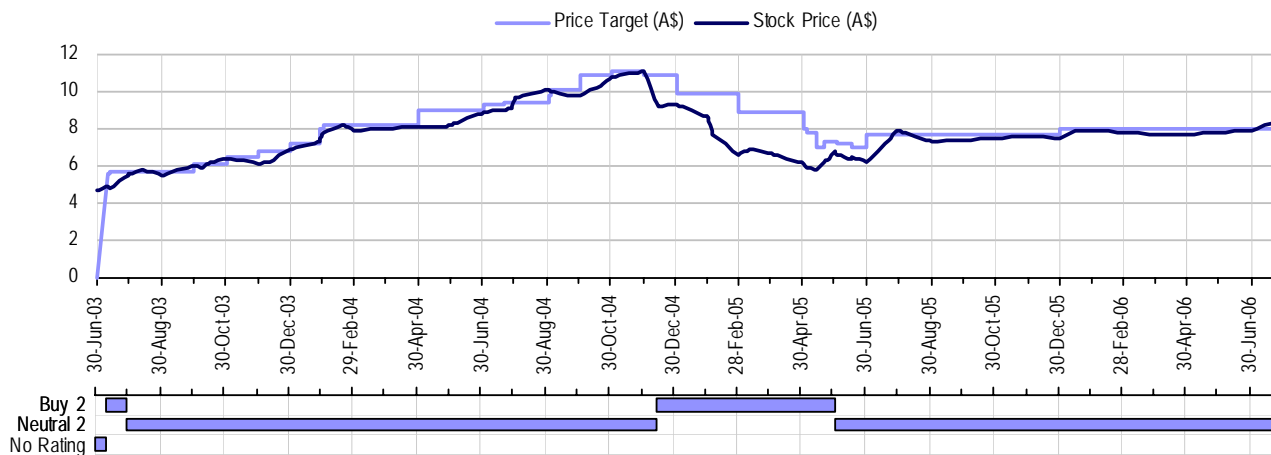
### Companies mentioned

Company Name	Reuters	Rating	Price	Price date/time
<b>GUD Holdings Limited</b>	GUD.AX	Neutral 2	A\$8.41	26 Jul 2006 23:40 AEST

Source: UBS. AEST: Australian eastern standard time.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

**GUD Holdings Limited (A\$)**



Source: UBS; as of 26 July 2006.

Note: On October 13, 2003, UBS adopted new definition criteria for its rating system. (See 'UBS Investment Research: Global Equity Ratings Definitions and Allocations' table for details.) Between January 11 and October 12, 2003, the UBS ratings and their definitions were: Buy 1: Excess return potential > 15%, smaller range around price target; Buy 2: Excess return potential > 15%, larger range around price target; Neutral 1: Excess return potential between -15% and 15%, smaller range around price target; Neutral 2: Excess return potential between -15% and 15%, larger range around price target; Reduce 1: Excess return potential < -15%, smaller range around price target; Reduce 2: Excess return potential < -15%, larger range around price target. Prior to January 11, 2003, the UBS ratings and definitions were: Strong Buy: Greater than 20% excess return potential, high degree of confidence; Buy: Positive excess return potential; Hold: Low excess return potential, low degree of confidence; Reduce: Negative excess return potential; Sell: Greater than 20% negative excess return potential, high degree of confidence. Under both ratings systems, excess return is defined as the difference between the FSR and the one-year local market interest rate.

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# GUD Holdings Limited

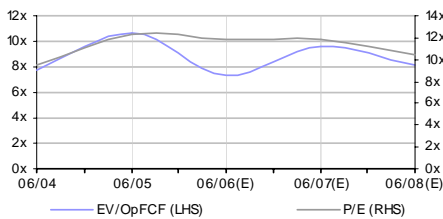
Income statement (A\$m)	06/01	06/02	06/03	06/04	06/05	06/06E	% ch	06/07E	% ch	06/08E	% ch
Revenue	343.5	398.2	375.4	396.2	395.2	467.7	18.3	511.3	9.3	526.3	2.9
Operating expenses (ex depn)	-	-	-	-	-	-	-	-	-	-	-
EBITDA (UBS)	41.4	45.4	54.3	74.4	68.4	70.7	3.2	70.0	-1.0	72.9	4.3
Depreciation	(9.6)	(9.1)	(8.4)	(9.6)	(5.6)	(7.0)	25.5	(6.6)	-5.9	(5.1)	-22.9
Operating income (EBIT, UBS)	31.8	36.3	45.8	64.9	62.8	63.6	1.2	63.3	-0.5	67.8	7.1
Other income and associates	(1.4)	(1.4)	(1.5)	(2.3)	(2.6)	0.0		0.0		0.0	
Net interest	(6.5)	(5.3)	(3.7)	(2.4)	(3.9)	(6.7)	73.2	(6.4)	-4.6	(2.9)	-55.0
Abnormal items (pre-tax)	(6.7)	(20.5)	(7.0)	(8.9)	(12.6)	0.0		0.0		0.0	
Profit before tax	17.2	9.1	33.6	51.3	43.7	56.9	30.2	56.9	0.0	65.0	14.1
Tax	(6.5)	(2.7)	(11.8)	(15.8)	(13.3)	(16.7)	25.6	(17.1)	2.1	(19.5)	14.1
Profit after tax	10.7	6.4	21.8	35.5	30.4	40.2	32.2	39.9	-0.8	45.5	14.1
Abnormal items (post-tax)	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Minorities / pref dividends	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Net income (local GAAP)	10.7	6.4	21.8	35.5	30.4	40.2	32.2	39.9	-0.8	45.5	14.1
Net income (UBS)	12.3	22.2	28.8	44.0	41.9	40.2	-4.0	39.9	-0.8	45.5	14.1
Tax rate (%)	37.9	29.5	35.1	30.7	30.5	29.4	-3.5	30.0	2.0	30.0	0.0
Pre-abnormal tax rate (%)	51.4	28.5	31.6	29.5	29.0	29.4	1.3	30.0	2.0	30.0	0.0
Per share (A\$)	06/01	06/02	06/03	06/04	06/05	06/06E	% ch	06/07E	% ch	06/08E	% ch
EPS (local GAAP)	0.16	0.10	0.36	0.58	0.50	0.67	33.6	0.67	-0.8	0.76	14.1
EPS (UBS)	0.18	0.35	0.47	0.72	0.69	0.67	-3.1	0.67	-0.8	0.76	14.1
Net DPS	0.15	0.17	0.26	0.40	0.50	0.60	20.0	0.60	0.0	0.63	5.8
Cash EPS	0.33	0.49	0.61	0.88	0.78	0.79	0.5	0.78	-1.6	0.84	8.8
BVPS	2.01	1.95	2.10	2.34	2.22	2.36	6.2	2.42	2.8	2.58	6.6
Balance sheet (A\$m)	06/01	06/02	06/03	06/04	06/05	06/06E	% ch	06/07E	% ch	06/08E	% ch
Net tangible fixed assets	58.6	40.9	37.5	36.8	27.2	29.9	9.9	23.0	-23.1	17.8	-22.6
Net intangible fixed assets	58.5	51.1	50.8	57.9	63.0	83.9	33.1	79.4	-5.5	74.8	-5.8
Net working capital	95.6	83.9	75.6	84.4	88.9	97.1	9.3	105.3	8.4	106.6	1.2
Other liabilities	(12.6)	(22.3)	(22.9)	(26.9)	(15.7)	(17.0)	8.1	(17.0)	0.0	(17.0)	0.0
Operating invested capital	203.8	159.7	147.7	160.2	171.9	194.2	13.0	190.9	-1.7	182.4	-4.4
Investments / other assets	3.7	6.1	6.7	8.1	8.4	0.2	-97.7	0.2	0.0	0.2	0.0
Total capital employed	207.5	165.8	154.4	168.3	180.3	194.4	7.8	191.1	-1.7	182.6	-4.4
Shareholders' equity	130.7	121.7	126.8	142.6	134.3	141.4	5.3	145.3	2.8	154.8	6.6
Minority interests	0.1	0.1	0.0	0.0	0.0	0.0		0.0		0.0	
Total equity	134.5	127.9	133.6	150.7	142.7	140.3	-1.7	117.7	-16.2	127.2	8.1
Net debt/(cash)	73.0	38.0	20.9	17.6	37.6	54.1	43.8	73.4	35.8	55.4	-24.5
Debt deemed provisions	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Total capital employed	207.5	165.8	154.4	168.3	180.3	194.4	7.8	191.1	-1.7	182.6	-4.4
Cash flow (A\$m)	06/01	06/02	06/03	06/04	06/05	06/06E	% ch	06/07E	% ch	06/08E	% ch
Operating income (EBIT, UBS)	31.8	36.3	45.8	64.9	62.8	63.6	1.2	63.3	-0.5	67.8	7.1
Depreciation	9.6	9.1	8.4	9.6	5.6	7.0	25.5	6.6	-5.9	5.1	-22.9
Net change in working capital	(18.2)	(1.0)	0.0	(11.3)	(12.4)	5.7		(8.2)		(1.3)	-83.9
Other (operating)	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Operating cash flow	23.2	44.4	54.3	63.1	56.1	76.4	36.2	61.8	-19.1	71.6	15.9
Net interest received / (paid)	(6.5)	(5.3)	(3.7)	(2.4)	(3.9)	(6.7)	73.2	(6.4)	-4.6	(2.9)	-55.0
Dividends paid	(8.8)	(9.5)	(12.2)	(19.4)	(27.9)	(32.4)	15.9	(35.9)	11.1	(35.9)	0.0
Tax paid	(3.4)	(3.4)	(9.0)	(11.3)	(17.5)	(17.3)	-1.1	(17.1)	-1.1	(19.5)	14.1
Capital expenditure	(3.5)	(7.9)	(7.6)	(9.2)	(6.6)	(5.5)	-16.3	(6.0)	9.4	(5.0)	-16.9
Net acquisitions / disposals	(2.5)	15.5	(3.3)	(17.6)	(10.9)	(34.7)	217.2	(29.7)	-14.4	0.1	
Other	(1.0)	0.0	(4.0)	(2.5)	(5.9)	(5.9)	-0.4	0.0		0.0	
Share issues	0.0	0.0	0.0	1.1	0.1	(0.1)		0.0		0.0	
Cash flow (inc)/dec in net debt	(2.5)	33.8	14.3	1.8	(16.5)	(26.1)	58.3	(33.4)	27.8	8.4	
FX / non cash items	(2.6)	1.2	2.8	1.5	(3.5)	9.6		14.0	45.5	9.6	-31.5
Balance sheet (inc)/dec in net debt	(5.1)	35.0	17.1	3.3	(20.0)	(16.5)	-17.6	(19.4)	17.6	18.0	
Core EBITDA	41.4	45.4	54.3	74.4	68.4	70.7	3.2	70.0	-1.0	72.9	4.3
Maintenance capital expenditure	(2.7)	(4.7)	(6.0)	(6.0)	(5.0)	(5.4)	8.0	(6.0)	11.1	(5.0)	-16.7
Maintenance net working capital	(18.2)	(1.0)	0.0	(11.3)	(12.4)	5.7		(8.2)		(1.3)	-83.9
Operating free cash flow, pre-tax	20.4	39.7	48.3	57.1	51.1	71.0	39.0	55.8	-21.4	66.6	19.4

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Note: For some companies, the data represents an extract of the full company accounts.

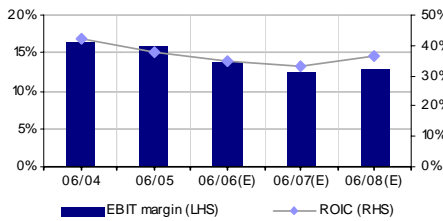
**Company profile**

GUD Holdings owns and manages a diverse group of businesses selling branded manufactured products in Australia and New Zealand. GUD operates several of Australia's most established and well-recognised consumer and industrial brands, including Sunbeam appliances, Victa lawnmowers, Ryco filters, Davey pumps and the recently acquired Oates Clean cleaning accessories. GUD was formed in 1940 and first listed in 1959.

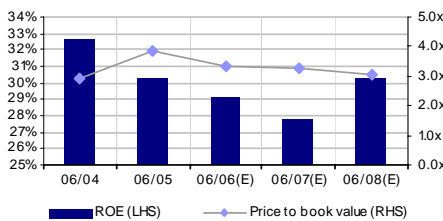
**Value (EV/OpFCF & P/E)**



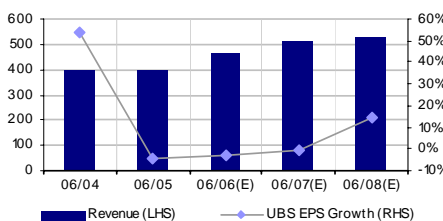
**Profitability**



**ROE v Price to book value**



**Growth (UBS EPS)**



Valuation (x)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
P/E (local GAAP)	22.6	11.8	17.0	11.8	11.9	10.4
P/E (UBS)	11.2	9.5	12.3	11.8	11.9	10.4
P/CEPS	5.8	7.8	10.9	10.0	10.2	9.4
Net dividend yield (%)	7.4	5.8	5.9	7.6	7.6	8.0
P/BV	1.5	3.0	3.8	3.3	3.3	3.1
EV/revenue (core)	-	1.1	1.4	1.1	1.1	1.0
EV/EBITDA (core)	-	5.9	8.0	7.3	7.7	7.4
EV/EBIT (core)	-	6.8	8.7	8.2	8.5	7.9
EV/OpFCF (core)	-	7.7	10.7	7.3	9.6	8.1
EV/op. invested capital	-	2.8	3.3	2.8	2.8	2.9

Enterprise value (A\$m)	06/04	06/05	06/06E	06/07E	06/08E
Average market cap	419.5	518.1	473.3	473.3	473.3
+ minority interests	0.0	0.0	0.0	0.0	0.0
+ average net debt (cash)	19.2	27.6	45.8	63.7	64.4
+ pension obligations and other	0.0	0.0	0.0	0.0	0.0
- non-core asset value	0.0	0.0	0.0	0.0	0.0
<b>Core enterprise value</b>	<b>438.8</b>	<b>545.7</b>	<b>519.2</b>	<b>537.1</b>	<b>537.8</b>

Growth (%)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
Revenue	4.3	5.5	-0.3	18.3	9.3	2.9
EBITDA (UBS)	20.9	37.2	-8.1	3.2	-1.0	4.3
EBIT (UBS)	26.5	41.6	-3.1	1.2	-0.5	7.1
EPS (UBS)	41.1	53.3	-4.5	-3.1	-0.8	14.1
Cash EPS	28.5	44.3	-11.0	0.5	-1.6	8.8
DPS Net	32.4	53.8	25.0	20.0	0.0	5.8
BVPS	5.4	11.6	-5.0	6.2	2.8	6.6

Margins (%)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
EBITDA / revenue	13.4	18.8	17.3	15.1	13.7	13.9
EBIT / revenue	10.9	16.4	15.9	13.6	12.4	12.9
Net profit (UBS) / revenue	6.3	11.1	10.6	8.6	7.8	8.6

Return on capital (%)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
EBIT ROIC (UBS)	-	42.1	37.8	34.8	32.9	36.3
ROIC post tax	-	29.7	26.9	24.5	23.0	25.4
Net ROE	-	32.7	30.2	29.2	27.8	30.3

Coverage ratios (x)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
EBIT / net interest	10.9	26.8	16.3	9.5	9.9	23.6
Dividend cover (UBS EPS)	1.7	1.8	1.4	1.1	1.1	1.2
Div. payout ratio (% UBS EPS)	62.0	55.2	72.3	89.4	90.2	83.6
Net debt / EBITDA	0.9	0.2	0.5	0.8	1.0	0.8

Efficiency ratios (x)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
Revenue / op. invested capital	12.4	2.6	2.4	2.6	2.7	2.8
Revenue / fixed assets	3.7	4.3	4.3	4.6	4.7	5.4
Revenue / net working capital	3.1	5.0	4.6	5.0	5.1	5.0

Investment ratios (x)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
OpFCF / EBIT	1.0	0.9	0.8	1.1	0.9	1.0
Capex / revenue (%)	4.4	2.3	1.7	1.2	1.2	0.9
Capex / depreciation	0.8	1.0	1.2	0.8	0.9	1.0

Capital structure (%)	5Yr Avg	06/04	06/05	06/06E	06/07E	06/08E
Net debt / total equity	33.5	12.3	28.0	38.2	50.6	35.8
Net debt / (net debt + equity)	25.1	11.0	21.9	27.7	33.6	26.4
Net debt (core) / EV	-	4.4	5.1	8.8	11.9	12.0

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptional items and other special items. Valuations: based on an average share price that year, (E): based on a share price of A\$7.90 on 26 Jul 2006 23:40 AEST; Market cap (E) may include forecast share issues/buybacks.

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