



GUD Holdings Limited

Results for year ended

30 June 2005

Presentation by Ian Campbell
Managing Director
GUD Holdings Limited

- ◆ Trading EBITA down 5.3% to \$63.5 million
- ◆ Second half EBITA \$31.6 million - in line with January guidance
- ◆ Victa underperformed
- ◆ Solid returns from other businesses in challenging market conditions
- ◆ EBITA/Sales* margin down marginally to 16.1% from last year's record of 17.0%
- ◆ Return on Capital Employed* 21.8%
- ◆ Return on Equity* 27.8%
- ◆ CVA return* 18.1%
- ◆ Annual dividend up 25% to 50 cents fully franked

* Excluding individually significant items

Financial overview



\$million	FY01	FY02	FY03	FY04			FY05		
				H1	H2	FY04	H1	H2	FY05
Working Capital	84.1	63.4	57.1	75.8	66.1	66.1	94.3	77.0	77.0
PP&E	58.6	40.9	37.5	35.3	36.8	36.8	27.7	27.2	27.2
Capital Employed	204.9	160.2	147.9	162.0	160.3	160.3	188.0	173.3	173.3
Sales	341.2	365.9	372.4	211.6	182.2	393.8	210.9	183.5	394.4
EBITDA	35.6	45.4	54.3	38.8	35.6	74.4	34.7	33.8	68.4
Depreciation	9.0	7.6	6.7	3.7	3.6	7.4	2.8	2.1	4.9
EBITA	26.6	37.8	47.5	35.1	32.0	67.1	31.9	31.6	63.5
Amortisation	1.4	2.9	3.3	1.7	2.8	4.5	1.8	3.0	4.8
EBIT	25.1	34.9	44.3	33.4	29.2	62.6	30.1	28.7	58.7
Interest	6.5	5.3	3.7	1.4	1.1	2.4	1.7	2.2	3.9
Profit before Tax	18.6	29.6	40.6	32.0	28.2	60.2	28.4	26.5	54.9
Tax	7.0	8.8	13.2	9.6	8.8	18.4	9.2	8.0	17.1
NOPAT	11.6	20.8	27.4	22.4	19.4	41.7	19.2	18.6	37.8
ISI After Tax	(1.0)	(14.4)	(5.6)	(2.1)	(4.1)	(6.2)	(8.8)	0.0	(8.8)
Reported Profit	10.7	6.4	21.8	20.3	15.3	35.5	10.4	18.6	28.9
EPS* - cents	17.9	33.7	45.3	36.7	31.8	68.6	31.8	31.0	63.0

*Note: Excluding individually significant items

- ◆ ISI relates to restructuring Ryco's Australian manufacturing business
- ◆ PP&E down due to Ryco write offs

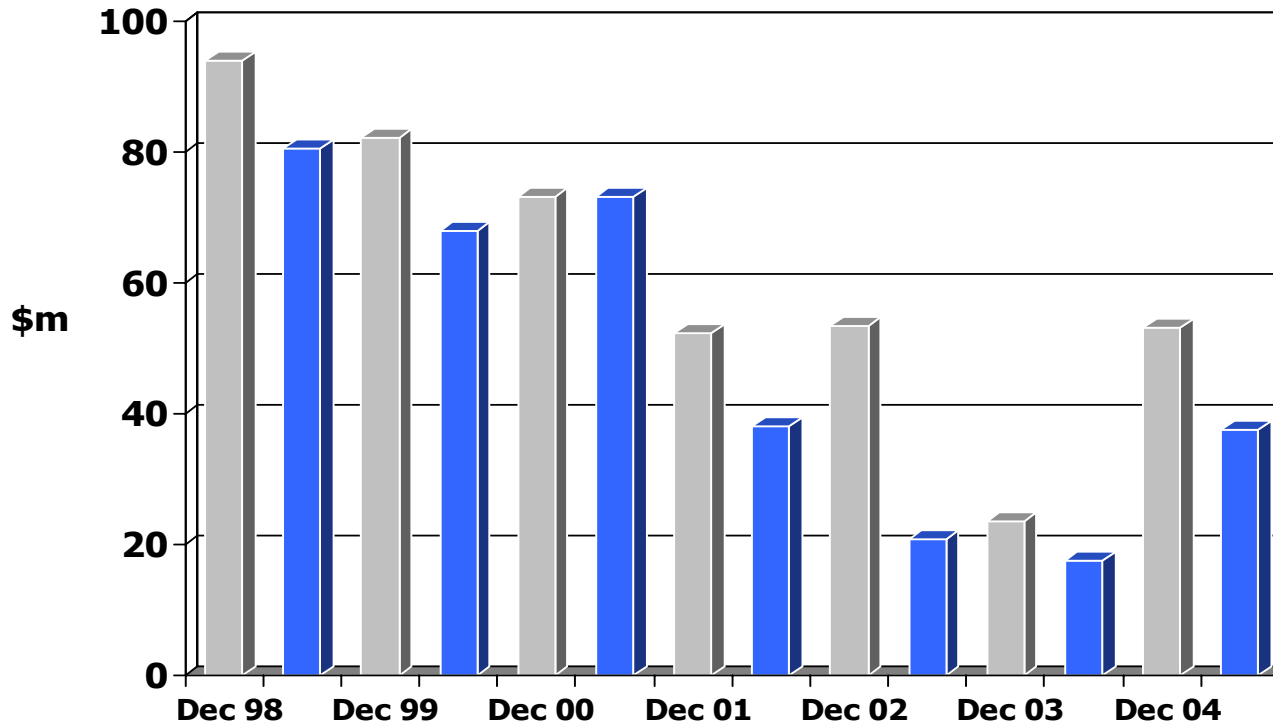
Cash generation



\$m	FY01	FY02	FY03	FY04	FY05
EBIT	25.1	34.9	44.3	62.6	58.7
Depreciation & Amortisation	11.0	10.5	10.0	11.9	9.7
Tax Paid	(3.4)	(3.4)	(9.0)	(11.3)	(17.5)
Effective Tax on Net Interest	(2.2)	(1.6)	(1.1)	(0.7)	(1.2)
Change in Working Capital	(18.5)	13.9	6.4	(4.6)	(10.9)
Gross Operating Cash Flow	12.1	54.4	50.5	57.8	38.9
Net Capital Expenditure	(3.8)	1.1	(5.7)	(10.8)	(11.1)
Net Investments	(1.0)	12.5	(1.7)	(9.5)	(9.7)
Gross Investments	(4.8)	13.6	(7.4)	(20.3)	(20.8)
Free Cash Flow	7.3	67.9	43.1	37.5	18.1

- ◆ Working capital affected by acquisitions and cash payment for Campsie remediation
- ◆ Increase cash tax payment on record FY04 profit

Net debt position



- ◆ Increased leverage following:
 - bolt-on acquisitions
 - cash costs of Ryco restructuring and Campsie remediation
 - share buy back and higher dividends
- ◆ Net debt/market capitalisation remains low at 8.4% on current share price of \$7.50
- ◆ Substantial borrowing capacity even after \$35 million Oates acquisition

	FY01	FY02	FY03	FY04	FY05
Consumer	8.1%	12.1%	14.7%	22.6%	17.8%
Automotive	12.7%	16.9%	20.8%	23.6%	26.9%
Water	13.3%	14.7%	17.8%	17.3%	15.2%
Security	6.6%	8.8%	10.0%	10.6%	9.9%
Group	9.9%	13.1%	16.5%	21.2%	18.1%

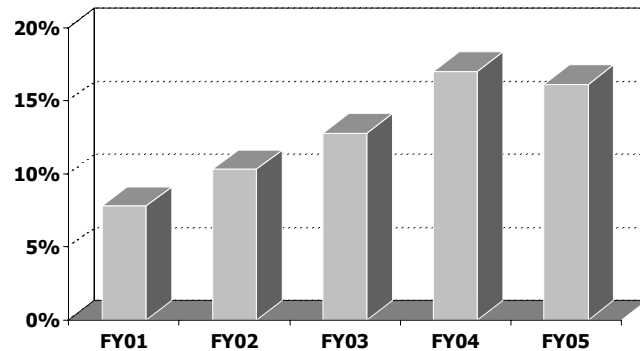
Note: Excluding individually significant items

- ◆ Group CVA return exceeds weighted average cost of capital

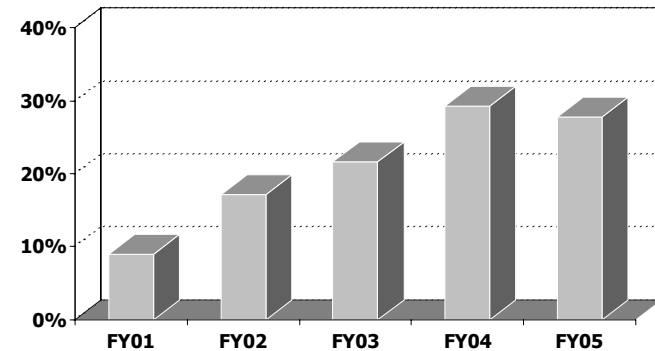
Key ratios



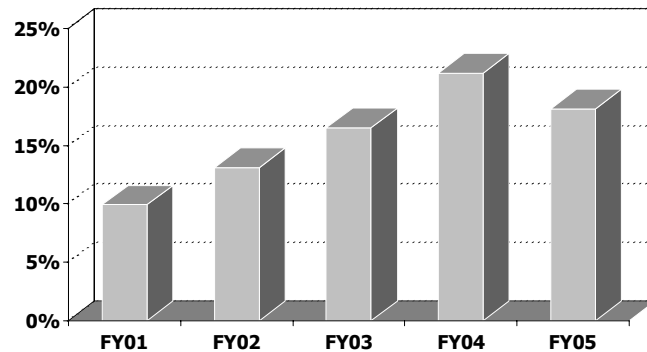
EBITA/Sales Margin



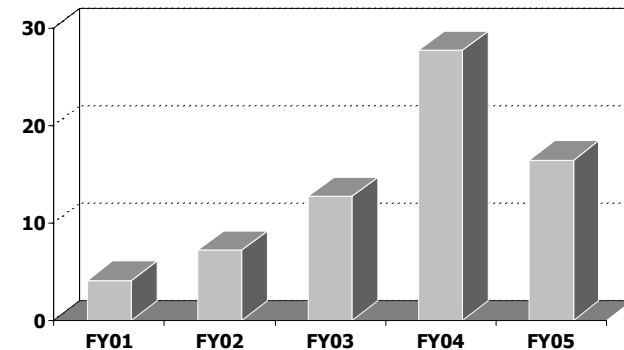
Return on Equity



CVA Return



Interest Cover (times)



- ◆ Marginally lower returns in FY05 reflects competitive environment
- ◆ FY04 margins benefited from favourable currency movements

Dividends and capital management

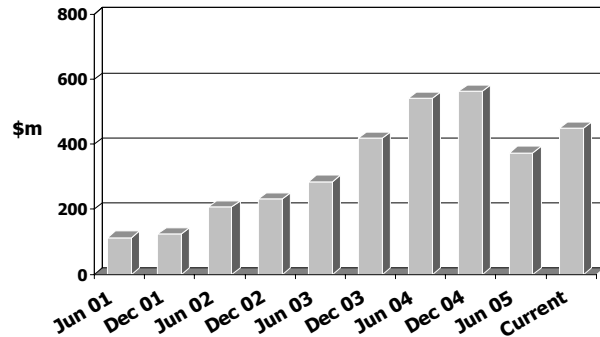


	FY01	FY02	FY03	H1	FY04 H2	FY04	H1	FY05 H2	FY05
EPS* - Cents	18	34	45	37	32	69	32	31	63
Dividend - Cents/Share	15.0	16.5	26.0	17.0	23.0	40.0	23.0	27.0	50.0
Payout ratio*	84%	49%	57%	46%	72%	58%	72%	87%	79%
Franking %	100%	55%	100%	100%	100%	100%	100%	100%	100%
Shares bought - mill.	2.3	3.4	1.3	0.2	0.1	0.3	0.4	0.6	1.0
Buy back value - \$m	4.2	6.9	4.7	1.0	0.9	1.9	4.2	3.8	8.0

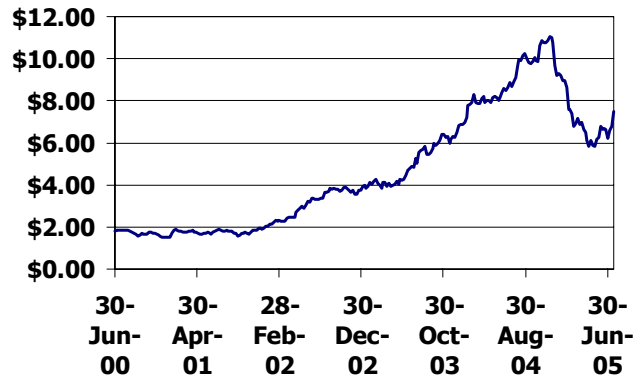
*Note: Excluding individually significant items

- ◆ Payout ratio increased to 79% - still below peers
- ◆ 35% compound dividend growth since FY01
- ◆ Share buy back continued amid volatile share price
- ◆ Bought back and cancelled 1 million shares at average price \$8.02
- ◆ 8.2 million bought back over life of scheme at average price \$3.12
- ◆ Shares on issue reduced to 59.9 million

Market Capitalisation \$m



Share Price



	Current
Shares on Issue - million	59.9
Share Price	7.50
Market capitalisation \$m	\$449
+ Net Debt \$m	\$38
Enterprise Value \$m	\$487
EBITDA - \$m	\$68.4
EV/EBITDA Multiple	7.1
EPS - cents	63.0
PER	11.9
Fully franked annual dividend - cents	50
Dividend Yield	6.7%

Notes:

1. Excluding individually significant items
2. Net debt excludes \$35 million Oates acquisition announced July 2005

- ◆ First half result poorly received, triggering institutional sell off
- ◆ Stability emerging but discounted valuation versus peers



Business Unit Reviews



Consumer products



\$million	FY01	FY02	FY03	FY04			FY05		
				H1	H2	FY04	H1	H2	FY05
Working Capital	46.7	26.9	24.7	40.0	29.4	29.4	56.4	35.2	35.2
PP&E	22.2	10.8	10.2	8.4	9.3	9.3	9.7	9.5	9.5
Capital Employed	116.9	81.6	82.9	97.8	83.3	83.3	112.7	91.7	91.7
Sales	192.1	205.6	201.8	121.7	101.5	223.2	117.0	98.1	215.1
EBITDA	15.4	20.4	25.1	20.8	19.2	40.0	16.3	17.0	33.3
Depreciation	4.4	3.2	2.3	1.4	1.5	2.9	1.2	1.2	2.4
EBITA	11.0	17.2	22.8	19.4	17.7	37.2	15.1	15.8	30.9
Amortisation	0.0	1.3	2.0	1.2	1.5	2.7	1.1	1.4	2.4
EBIT	11.0	15.9	20.8	18.2	16.2	34.5	14.0	14.5	28.5
EBIT/Sales Margin	6%	8%	10%	15%	16%	15%	12%	15%	13%

Note: Excluding individually significant items

- ◆ Sunbeam performed to expectations:
 - Sales marginally ahead of last year
 - EBIT margin improved excluding F04 currency impact
 - Grew market share with new products in competitive market
- ◆ Victa underperformed:
 - Strategy to reduce cost through importing components and product
- ◆ Oates acquisition in July 2005

Profile of Oates acquisition



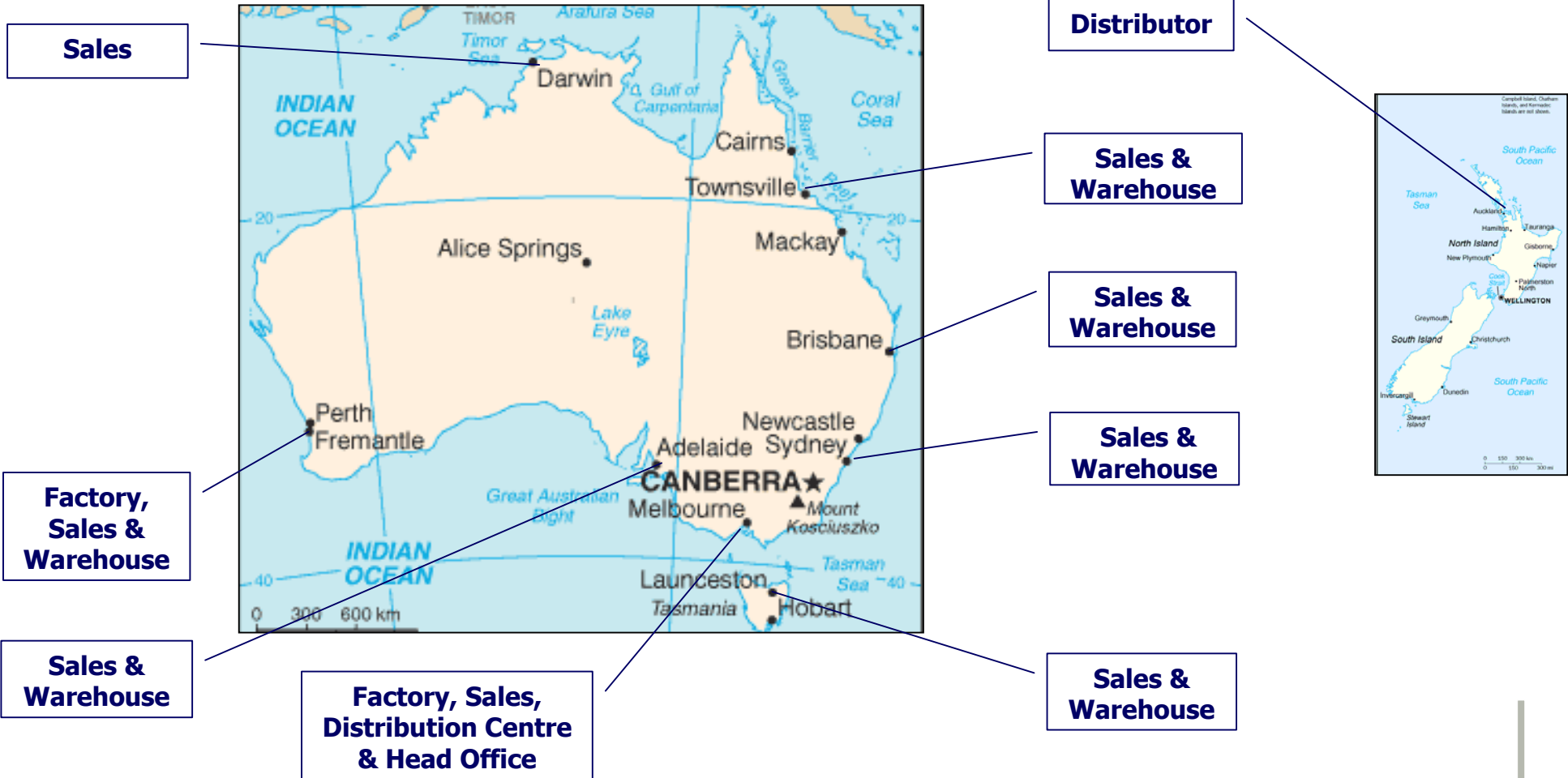
OATES
CLEAN

- ◆ \$35 million for OATES CLEAN® business
- ◆ \$4 million working capital funding
- ◆ Acquisition funded through existing borrowing facilities
- ◆ FY06 forecast net revenue of \$65m and EBIT \$6m
- ◆ At least 5% EPS accretive in FY06 before revenue and cost synergies
- ◆ Greater than 10% CVA return in FY06
- ◆ GUD to add value through manufacturing, supply chain and marketing expertise
- ◆ Growth through range expansion and acquisitions



- ◆ OATES CLEAN[®] is a leading brand
- ◆ Consumer and industrial segments
- ◆ Not reliant upon consumer discretionary expenditure
- ◆ Multiple channel customer base
- ◆ No sales seasonality
- ◆ Markets have substantial replacement demand
- ◆ Opportunities for application of new technologies

Oates operational profile



Oates performance history

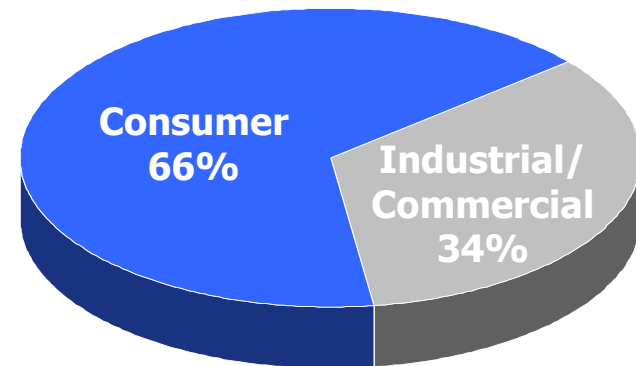


- ◆ Compound sales growth of 7.5% in last 5 years
- ◆ Sales split 65% manufactured, 35% imported
- ◆ Strong cash generation
- ◆ Low maintenance capital expenditure
- ◆ EBIT/sales margin of 8% to 11% in last three years

Sales by State

	Oates	Population
QLD	19%	19%
NSW	29%	36%
VIC	30%	25%
TAS	1%	2%
SA	7%	8%
WA	13%	10%
TOTAL	100%	100%

Sales by channel



Oates growth potential



OATES
CLEAN

- ◆ Leverage OATES CLEAN® brand through product range extensions
- ◆ Commercialise new product developments
- ◆ Complementary acquisitions
- ◆ New Zealand
- ◆ Manufacturing efficiencies
- ◆ Make versus buy analysis
- ◆ Supply chain improvements

Automotive products



\$million	FY01	FY02	FY03	FY04			FY05		
				H1	H2	FY04	H1	H2	FY05
Working Capital	16.5	16.6	16.8	17.0	15.6	15.6	13.1	16.0	16.0
PP&E	21.1	19.2	17.4	16.2	15.2	15.2	7.0	6.8	6.8
Capital Employed	43.5	39.1	37.2	36.4	33.9	33.9	23.1	25.6	25.6
Sales	80.1	84.2	85.8	44.2	41.8	86.0	40.2	38.5	78.7
EBITDA	12.6	15.7	17.9	10.9	10.6	21.5	9.1	9.3	18.4
Depreciation	2.9	2.6	2.6	1.4	1.4	2.8	0.3	0.3	0.7
EBITA	9.7	13.2	15.4	9.6	9.2	18.8	8.7	9.0	17.7
Amortisation	0.5	0.5	0.2	0.1	0.3	0.3	0.1	0.1	0.1
EBIT	9.2	12.7	15.2	9.5	9.0	18.4	8.7	8.9	17.6
EBIT/Sales Margin	12%	15%	18%	21%	21%	21%	22%	23%	22%

Note: Excluding individually significant items

- ◆ Strong returns despite intense import competition
- ◆ Soft demand in automotive aftermarkets in Australia and New Zealand
- ◆ Reduction in PP&E reflects Ryco Australia conversion to import business
- ◆ Ryco to be cost competitive due to import sourcing strategy
- ◆ Cost competitiveness provides potential to improve market share

Water products



SPA-QUIP



\$million	FY01	FY02	FY03	FY04			FY05		
				H1	H2	FY04	H1	H2	FY05
Working Capital	11.8	10.1	9.1	11.3	15.5	15.5	16.8	18.4	18.4
PP&E	6.2	7.1	7.2	7.2	9.1	9.1	9.0	8.6	8.6
Capital Employed	23.1	22.0	21.3	23.2	38.1	38.1	38.8	44.8	44.8
Sales	57.3	63.7	71.9	38.6	34.2	72.8	46.6	41.6	88.2
EBITDA	6.2	7.2	9.1	5.2	5.0	10.2	7.4	5.9	13.3
Depreciation	1.3	1.3	1.5	0.7	0.9	1.6	1.1	1.1	2.2
EBITA	4.8	5.9	7.7	4.5	4.1	8.6	6.3	4.8	11.1
Amortisation	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.3	0.7
EBIT	4.5	5.6	7.4	4.3	3.9	8.3	6.0	4.5	10.4
EBIT/Sales Margin	8%	9%	10%	11%	11%	11%	13%	11%	12%

Note: Excluding individually significant items

- ◆ Davey showed improvement in domestic and export performance
- ◆ Increased capital employed due to acquisitions
- ◆ Spa-Quip sales and EBIT in line with pre-acquisition expectations
- ◆ Future growth from full year of Contamination Control acquired April 2005
- ◆ Major new product launches for coming seasonal period

Profile of Contamination Control



- ◆ Acquired 29 April 2005
- ◆ Cost A\$6.3m plus small working capital requirement
- ◆ Generates sales of around A\$8m and EBIT of around A\$1m
- ◆ Record of solid sales and profit growth
- ◆ Manufacturing and warehousing in Auckland
- ◆ Predominantly New Zealand customer base
- ◆ Products span water treatment technologies and water cooling/purification
- ◆ Markets include domestic, rural, municipal and industrial applications
- ◆ Growth potential to market the products through Davey's dealer networks

LOCK FOCUS

\$million	FY01	FY02	FY03	FY04			FY05		
				H1	H2	FY04	H1	H2	FY05
Working Capital	2.4	1.9	2.2	3.2	2.9	2.9	3.2	3.2	3.2
PP&E	5.0	3.9	3.2	3.4	3.4	3.4	3.7	3.8	3.8
Capital Employed	14.8	12.6	11.9	12.6	11.7	11.7	12.1	11.9	11.9
Sales	11.6	12.4	13.5	7.1	6.3	13.4	7.2	6.2	13.3
EBITDA	2.3	2.8	2.2	1.9	1.5	3.3	1.7	1.5	3.3
Depreciation	0.5	0.4	0.4	0.3	0.3	0.6	0.3	0.3	0.6
EBITA	1.8	2.4	1.8	1.6	1.2	2.8	1.5	1.2	2.7
Amortisation	0.6	0.6	0.6	0.3	0.4	0.7	0.3	0.3	0.6
Add back: Asian Costs			0.9						
EBIT	1.2	1.8	2.1	1.3	0.8	2.1	1.2	0.9	2.1
EBIT/Sales Margin	10%	14%	16%	18%	13%	15%	16%	15%	16%

Note: Excluding individually significant items

- ◆ Lock Focus sustained margin despite patchy market conditions
- ◆ Continued growth in Kiroo and EMKA product ranges into electrical cabinet market
- ◆ Continued investment in automation to support margins and service level

- ◆ New products in Sunbeam, Davey, Spa-Quip and Lock Focus to drive growth
- ◆ Improved contribution from Victa expected
- ◆ First contributions from Oates and Contamination Control
- ◆ Pursuing further acquisitions
- ◆ CVA return to remain well above the cost of capital
- ◆ FY06 trading profit to exceed FY05 performance
- ◆ Consistent annual dividend growth remains a primary objective