
Half Yearly Results



GUD HOLDINGS

HALF YEAR ENDED DECEMBER 31 2005



GUD Holdings Limited

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30 January 2006

Dear Shareholder

Attached is a copy of the GUD half year results to 31 December 2005 and media release of 30 January 2006.

The Company announced a profit after tax of \$20.2 million for the half year. There were no individually significant items in the period. I am pleased to advise that Directors have increased the interim dividend to 27 cents per share fully franked.

The dividend will be paid on 10 March 2006 and the Record Date for this dividend is 24 February 2006. The shares will trade ex dividend from 20 February 2006.

Further details are available on the GUD website – www.gud.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Clive K Hall', written over a large, stylized flourish.

Clive K Hall
Chairman

GUD Holdings Limited results for half year ended 31 December 2005

Interim dividend up 17% to 27 cents.

GUD Holdings Limited today announced an 83% increase in reported net profit to \$20.2 million from \$11.1 million in the half year ending 31 December 2005. There were no individually significant items in the period compared with an \$8.8 million charge last year. The result was achieved on a 14% increase in sales to \$241 million.

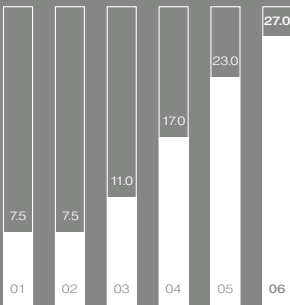
Directors have increased the interim dividend 17% to 27 cents fully franked from 23 cents previously. The payout ratio is 80% following an 84% increase in reported earnings per share to 33.7 cents.

Trading EBITA (excluding individually significant items) increased 8% to \$34.4 million and Trading EBITA/Sales was marginally lower at 14.3% from 15.1%. Trading earnings per share increased 2%.

The result included the first contribution from the Oates Clean acquisition, an improved performance from Victa and the benefits from last year's restructuring within the Automotive business.

Interim Dividends

(cents per share)



'During the period we benefited from the contributions from recent acquisitions. The strength of our brands, continued focus on cost controls and benefits from outsourcing and restructuring initiatives have helped to protect margins,' Managing Director Ian Campbell said.

'We were challenged by slower discretionary spending, increased competition at entry level price points and the impact of higher fuel costs. Our results represent a satisfactory return in a tough environment,' he said.

A-IFRS transition: GUD has adopted accounting policies to comply with A-IFRS, effective 1 July 2005. The prior year's accounts have been adjusted to reflect the transition and to provide a consistent comparison. The primary impact relates to amortisation of goodwill and a restatement of last year's net profit to \$11.1 million from \$10.4 million. Full details on the A-IFRS impact are included in the Appendix 4D Half Year Report.

Consumer Products Trading EBITA up 19% to \$18.0 million

Sales in the Consumer Products segment increased 27% to \$148.7 million due to the first-time contribution from Oates Clean and a better performance from Victa. Sunbeam reported stronger sales during the Christmas period, but sales were marginally lower over the half year as a result of subdued consumer spending.

Segment Summary

for half year ended 31 December

\$ million	Revenue			
	2005	2004	% change	2005
Consumer	148.7	117.0	27%	16.0
Automotive	36.0	40.1	-10%	8.9
Water	49.7	46.4	7%	6.6
Security	6.8	7.2	-5%	1.1
Unallocated	(0.0)	(0.0)		(0.2)
Totals	241.1	210.7	14%	32.4

Sunbeam continues to lead the small appliance market in new product activity and has retained its market leadership position across the period. Returns from Sunbeam continue to track well above the cost of capital. The business is well positioned to grow as retail conditions improve.

The position of the Victa brand with Australian consumers was instrumental in driving recovery in market share against price-pointed, lower quality, competitive products. Victa is in the midst of implementing its component outsourcing program and the benefits should be evident in the current half year.

The contribution from the recently acquired Oates Clean business was slightly below expectations due to one-off transition and integration costs and delays in new product introductions. Opportunities have been identified to improve Oates' operational performance in future periods.

Automotive Products Trading EBITA up 2% to \$8.9 million

Improved profit was achieved due to the success of last year's restructuring amid difficult conditions in automotive aftermarkets. Outsourced products under the Ryco brand are meeting quality expectations. The brand's product range has been expanded in traditional filters and into emerging cabin air filtration.

The branch network operated by Wesfil was further expanded with the opening of an operation in Townsville. Additional geographic expansion opportunities are being evaluated.

Reported EBIT			Trading EBITA		
2004	% change	2005	2004	% change	
14.0	14%	18.0	15.1	19%	
8.7	2%	8.9	8.7	2%	
6.3	4%	6.6	6.3	4%	
1.5	-25%	1.1	1.5	-25%	
(12.4)		(0.2)	0.2		
18.1	79%	34.4	31.9	8%	

Water Products Trading EBITA up 4% to \$6.6 million

Operational cost reductions and new product introductions, particularly in Davey, and benefits from acquisitions underpinned sales and profit growth during the half year.

The performance of Contamination Control, acquired in May 2005, was in line with expectations. Opportunities have been identified to grow market share and improve the cost structure.

Security Products Trading EBITA down 25% to \$1.1 million

Patchy trading conditions across all market segments resulted in a lower than expected performance. Further investments in automated equipment, commissioned during the half year, should result in lower costs.

Outlook

'There is no change to full year profit guidance. Trading profit in the current financial year is expected to exceed last year's result,' Managing Director Ian Campbell said.

'We anticipate continued benefits from recent acquisitions, active cost management, outsourcing activities and new product introductions.

'We continue to pursue growth via acquisitions and, if successful, shareholders could expect a further boost to earnings per share. Our acquisition strategy remains focused on growing our portfolio of Australian and New Zealand brands in the industrial and consumer sectors.

'Following the 17% increase in the interim dividend, we anticipate the full year dividend will increase by 15% to 20%,' he said.

For further information:

Ian Campbell
Managing Director
GUD Holdings Limited
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Financial Summary and Ratios – December Half Year

2005
\$ millions

Sales and Profitability

Sales Revenue	241.1
Trading EBITA*	
Consumer Products	18.0
Automotive Products	8.9
Water Products	6.6
Security Products	1.1
Unallocated	(0.2)
Total Trading EBITA*	34.4
Net Trading Profit Before Tax*	29.1
Net Trading Profit After Tax*	20.2
Individually Significant Items (abnormals pre-2001) before tax	0.0
Net Profit Before Tax	29.1
Net Profit After Tax	20.2

Financial Position

Current Assets	174.1
Current Liabilities	65.8
Net Debt	87.8
Net Tangible Assets	68.2
Total Equity	138.2

Per Share Performance**

Earnings Per Share* (cents)	33.7
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Dividends Declared Per Share (cents)	27.0
% Franked	100%
Payout Ratio*	80.1%
NTA Per Share (\$)	\$1.14

Share Statistics (at 31 December each year)

Total Shares on Issue – millions	59.9
Closing Share Price \$	7.50
Market Capitalisation	449.4

Key Ratios

Trading EBITA/Sales*	14.3%
Debt/Total Capital	38.8%
Net Debt/Market Capitalisation	19.5%
Interest Cover – Times (EBITA/Net Interest)*	10.6

* Trading results exclude Individually Significant Items

** Calculated on shares on issue at reporting date

2004 \$ millions	2003 \$ millions	2002 \$ millions	2001 \$ millions
210.7	211.6	197.9	192.7
15.1	19.4	12.3	9.4
8.7	9.6	7.2	6.6
6.3	4.5	4.1	2.8
1.5	1.6	0.9	1.2
0.2	0.1	0.1	(1.3)
31.9	35.1	24.6	18.6
29.1	32.0	21.1	14.7
19.9	22.4	14.7	10.9
(12.6)	(3.0)	(2.0)	(20.0)
16.4	29.0	19.1	(5.2)
11.1	20.3	13.3	(3.5)
159.5	135.9	146.6	134.7
67.5	64.0	57.7	68.2
53.1	23.6	53.3	52.3
76.3	87.8	76.2	66.4
134.9	138.2	127.1	120.2
32.9	36.7	24.2	17.1
18.3	33.2	21.9	(5.5)
23.0	17.0	11.0	7.5
100%	100%	100%	0%
69.9%	46.4%	45.5%	43.9%
\$1.26	\$1.44	\$1.26	\$1.08
60.5	61.0	60.8	63.6
9.30	6.87	3.80	1.95
562.4	418.9	231.1	124.0
15.1%	16.6%	12.4%	9.7%
28.3%	14.6%	29.6%	30.3%
9.4%	5.6%	23.1%	42.2%
19.0	25.6	12.1	6.1