



245 Sunshine Road,
Tottenham, Vic 3012
Australia.

PO Box 62 Sunshine,
Vic 3020 Australia.

Telephone: +61 3 9243 3333
Facsimile: +61 3 9243 3300
Email: gudhold@gud.com.au
Internet: www.gud.com.au

29 January 2007

GUD Holdings Limited results for half year ended 31 December 2006

GUD Holdings Limited today announced a 10% reduction in trading EBIT to \$29.2 million from \$32.4 million in the six months period ending 31 December 2006. The interim dividend has been held steady at 27 cents per share fully franked.

Net reported profit fell 26% to \$14.9 million from \$20.2 million reflecting the 10% reduction in trading EBIT and the \$3.5 million pre-tax charge (announced at the AGM in October) associated with restructuring the New Zealand automotive filter business.

Performance across the business portfolio was mixed. Water Products increased EBIT 50% to \$10.7 million due to benefits of its bolt-on acquisition strategy, new products and organic growth in the expanding water products market.

The strong performance of Water Products and the solid trading performance of Sunbeam, Automotive Products and Security Products was offset by:

- Demand for Victa's products in the grass growing months of October through December was weak due to the impact of drought conditions across Australia.
- The Oates Clean business underperformed expectations due to delays in contribution from the Bissell product range and competitive conditions in cleaning products markets.
- Costs of \$2.0 million associated with the valuation of forward foreign exchange contracts also impacted the result.

At the trading level GUD is a net beneficiary of the stronger Australian dollar due to the lower cost of imported product. Benefits are reflected in improved gross profit and helped to offset pressures from higher commodity prices and the competitive trading environment domestically. Gross profit margin dipped to 36.7% from 38.2% on sales that increased 10% to \$265.5 million.

"The 10% lower EBIT performance is driven by the unsatisfactory trading in Victa and Oates and the mark-to-market valuation of our forward foreign exchange contracts," Managing Director, Ian Campbell said.

"I am confident that our positive momentum within the Water Products business and Sunbeam will continue to underpin solid financial returns in future periods," he said.

Segment Summary - for the half year to 31 December

\$million	Sales			Trading EBIT			Reported EBIT		
	2005	2006	% change	2005	2006	% change	2005	2006	% change
Consumer	148.7	147.8	-1%	17.3	11.3	-35%	17.3	11.3	-35%
Water	49.7	76.5	54%	7.1	10.7	50%	7.1	10.7	50%
Automotive	36.0	34.4	-4%	9.4	8.0	-15%	9.4	4.6	-51%
Security	6.8	6.9	2%	1.2	1.2		1.2	1.2	
Unallocated	(0.0)	(0.0)		(2.6)	(2.0)		(2.6)	(2.0)	
TOTALS	241.1	265.6	10%	32.4	29.2	-10%	32.4	25.7	-21%

Note: Minor differences due to rounding of amounts.

Consumer Products EBIT down 35% to \$11.3 million

The Consumer Products business incurred the \$2.0 million hedging cost.

Sunbeam's sales increased ahead of expectations. Profit contribution before hedging costs and increased product costs due to higher commodity prices, specifically aluminium, copper and plastics and freight charges, also increased.

This business continues to have success with new products as evidenced by its recent entry into the gas barbeques market during the period. Sunbeam continues to enjoy clear market leadership in the Australian small appliance market and grew market share in New Zealand over the half year.

Victa enjoyed a strong first quarter sell-in, but the benefits of expanded retailer ranging did not accrue due to drought induced slow demand in the second quarter.

Competitive conditions in cleaning products markets affected prices and margins in the Oates business. Offshore sourcing initiatives are being implemented in an effort to reduce product costs.

Water Products EBIT increased 50% to \$10.7 million

Water Products sales increased 54% to \$76.5 million driven by the success of several new products, the Monarch Pool Systems acquisition, buoyant demand for pumps due to bushfires and positive momentum within the expanding water products market.

Integration opportunities are being pursued across the business as it seeks to maximise returns from Davey, Spa-Quip, Contamination Control and Monarch.

Davey's growth in Australia was driven by innovative products such as the RainBank rainwater controller, Silver Series pumps for water conservation applications and updated Firefighter pumps.

The outlook for the Water Products business remains buoyant as it builds a strong presence in its three primary markets: domestic and rural water supply and treatment; spa baths and spa pools; and swimming pools.

Automotive Products EBIT (before restructuring) declined 15% to \$8.0 million

The New Zealand Ryco filter factory was closed in December and the benefits of this restructuring should be evident over the next twelve months.

Trading was affected in the transition period but the business is now better positioned to maximise returns in a very competitive automotive aftermarket.

Security Products EBIT steady at \$1.2 million

Investment in new plant and subsequent efficiency improvements offset competitive market conditions and rising raw material costs.

Capital Management

The Company also today announced its intention to commence an on-market share buy-back of up to 5% of issued capital over the next 12 month period.

The intended share buy back will be EPS accretive and will not impact GUD's ability to fund bolt on acquisitions or its current dividend policy.

Outlook

Trading EBIT in the second half is expected to be around the first half result of \$29.2 million.

"The hedging costs of \$2.0 million incurred in the first half are not expected to recur in the second half," Mr Campbell said.

"Continued growth is expected within Water Products due to the expanding market, new products, contribution from recent acquisitions and business integration."

"Within Consumer Products, Victa is unlikely to rebound in the short term, but sustained strong performance is expected from Sunbeam, driven by electric blankets and new products," Mr Campbell said.

"The on-market buy-back demonstrates the Company's continued commitment to active capital management, and represents an effective mechanism for us to return capital to our shareholders," Mr Campbell said.

For further information:

Ian Campbell
Managing Director
GUD Holdings Limited
t: 03 9243 3332

Financial Summary & Ratios - December Half Year		2002	2003	2004	2005	2006
		\$ million	\$ million	\$ million	\$ million	\$ million
Sales & Profitability						
Sales Revenue		197.9	211.6	210.7	241.1	265.6
Trading EBITA*	Consumer Products	12.3	19.4	15.1	19.3	13.5
	Automotive Products	7.2	9.6	8.7	9.4	8.0
	Water Products	4.1	4.5	6.3	7.3	10.9
	Security Products	0.9	1.6	1.5	1.2	1.2
	Unallocated	0.1	0.1	0.2	(2.6)	(2.0)
Total Trading EBITA*		24.6	35.1	31.9	34.6	31.7
Net Trading Profit Before Tax*		21.1	32.0	29.1	29.1	24.8
Net Trading Profit After Tax*		14.7	22.4	19.9	20.2	17.2
Individually Significant Items before tax		(2.0)	(3.0)	(12.6)	0.0	(3.5)
Net Profit Before Tax		19.1	29.0	16.4	29.1	21.3
Net Profit After Tax		13.3	20.3	11.1	20.2	14.9
Financial Position						
Current Assets		146.6	135.9	159.5	174.1	197.0
Current Liabilities		57.7	64.0	67.5	65.8	83.5
Net Debt		53.3	23.6	53.1	87.8	113.8
Net Tangible Assets		76.2	87.8	76.3	55.1	31.4
Total Equity		127.1	138.2	134.9	138.2	136.1
Per Share Performance**						
Earnings Per Share* (cents)		24.2	36.7	32.9	33.7	28.7
Earnings Per Share (cents)		21.9	33.2	18.3	33.7	24.8
Dividends Declared per Share (cents)		11.0	17.0	23.0	27.0	27.0
% Franked		100%	100%	100%	100%	100%
Payout Ratio*		45.5%	46.4%	69.9%	80.1%	94.1%
NTA per Share (\$)		\$1.26	\$1.44	\$1.26	\$0.92	\$0.52
Share Statistics (at 31 December each year)						
Total Shares on Issue - millions		60.8	61.0	60.5	59.9	59.9
Closing Share Price \$		3.80	6.87	9.30	7.50	8.84
Market Capitalisation		231.1	418.9	562.4	449.4	529.7
Key Ratios						
Trading EBITA/Sales*		12.4%	16.6%	15.1%	14.3%	11.9%
Debt/Total Capital		29.6%	14.6%	28.3%	38.8%	45.5%
Net Debt/Market Capitalisation		23.1%	5.6%	9.4%	19.5%	21.5%
Interest Cover - times (EBITA/Net Interest)*		12.1	25.6	19.0	10.6	7.2

* Trading results exclude Individually Significant Items

** Calculated on shares on issue at reporting date