GUD Holdings Limited

Results for half year ended 31 December 2007

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GUD HOLDINGS LIMITED

Result key points

> Sales increased 7% to $285.2 million from $265.6 million
> Gross profit margin improved to 38.2% from 36.7%
> Trading EBIT up 31% to a record $38.3 million from $29.2 million
> Reported net profit after tax increased 18% to $17.5 million
> Strong EBIT growth in all Consumer Products businesses
> Better seasonal conditions and outsourcing benefits
> Water Products EBIT lower due to drought impact on pool and spa segments
> Balance sheet remains strong with net debt down 5%
> Interim dividend up 3 cents to 30 cents per share fully franked

Financial summary

$ million	FY07 H1	FY07 H2	FY07	FY08 H1
Sales	**265.6**	**253.1**	**518.7**	**285.2**
EBITDA	35.6	37.5	73.1	44.8
Depreciation	3.9	4.0	7.9	3.8
EBITA	31.7	33.5	65.2	41.0
Amortisation	2.5	2.5	5.0	2.7
Trading EBIT	**29.2**	**31.1**	**60.2**	**38.3**
Interest	4.4	4.5	9.0	4.7
Trading Profit Before Tax	24.8	26.5	51.3	33.6
Tax	7.6	7.6	15.2	10.1
NOPAT	**17.2**	**18.9**	**36.1**	**23.5**
ISI After Tax	**(2.3)**	**(0.1)**	**(2.4)**	**(6.0)**
Reported Profit	**14.9**	**18.8**	**33.6**	**17.5**
Trading EPS - cents	**28.7**	**31.5**	**60.2**	**39.2**
Reported EPS - cents	24.8	31.4	56.2	29.2
Dividend per share - cents	**27**	**34**	**61**	**30**

7% sales growth - no acquisitions in period

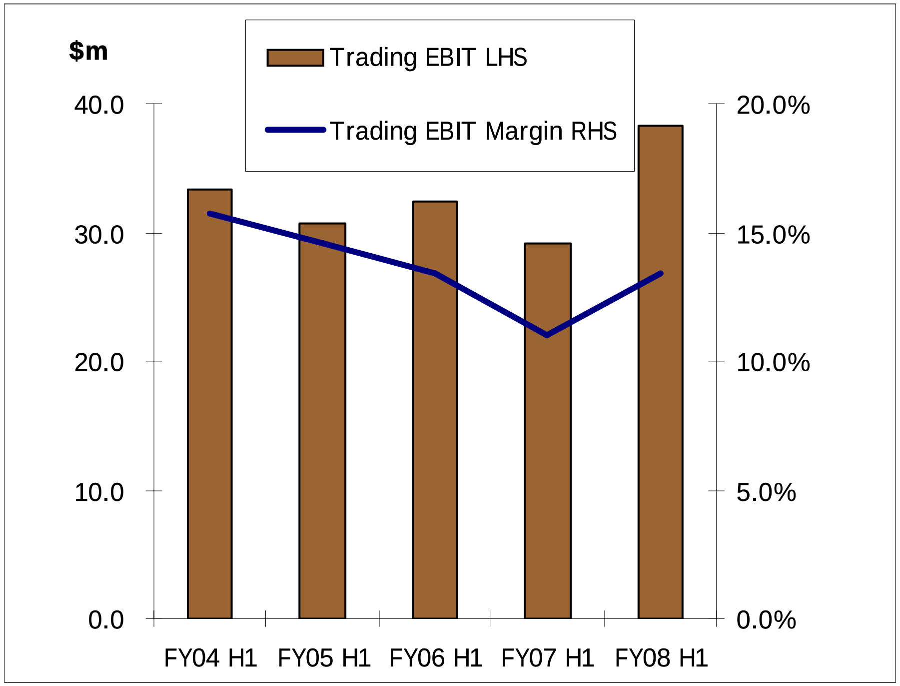
Record Trading EBIT

Oates restructuring costs

37% increase in Trading EPS

11% increase in interim dividend

Trading EBIT & margin



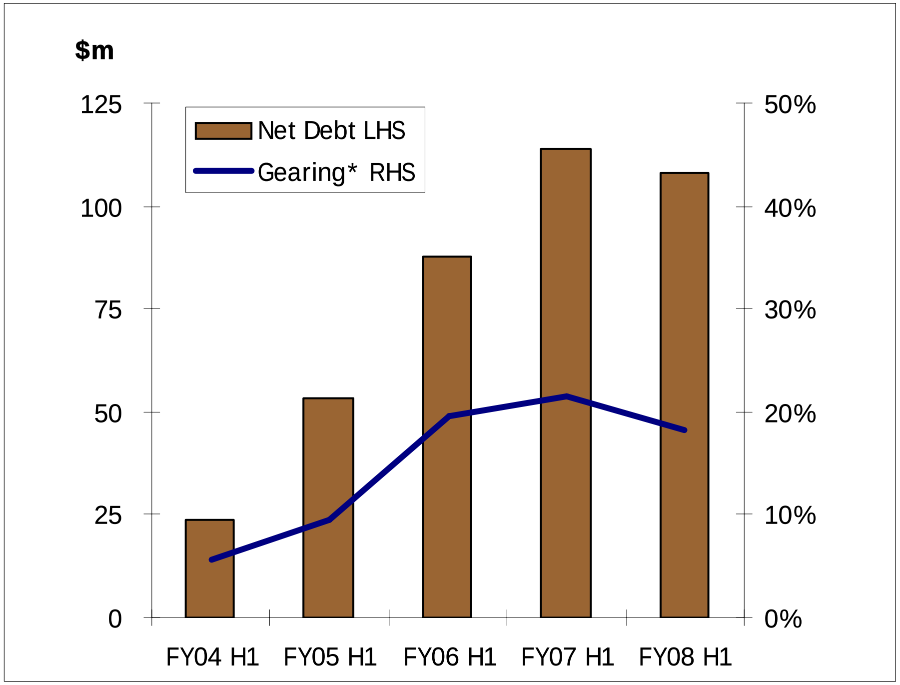
> Trading EBIT margin improved to 13.4% from 11.0%.

> Strong A$ boosted margin and helped negate higher product costs.

> Oates and Automotive margins improving following recent restructuring.

> Previous half year included $2 million currency hedging costs versus $0.7 million in current period.

Net debt



* Net Debt/Market Capitalisation

> Balance sheet remains strong with net debt of $108.2 million and $81 million of facilities not utilised.

> Interest cover improved to 8.1 times from 6.6.

> Net debt to market capitalisation 18% at 31 December.

> No acquisitions or share buy backs during the half.

Brand portfolio

Consumer	Sunbeam, Victa (Turns grass into lawn), Oates Clean
Automotive	Ryco Filters, Wesfil, Goss
Water	Depend on Davey Water Products
Security	Lock Focus

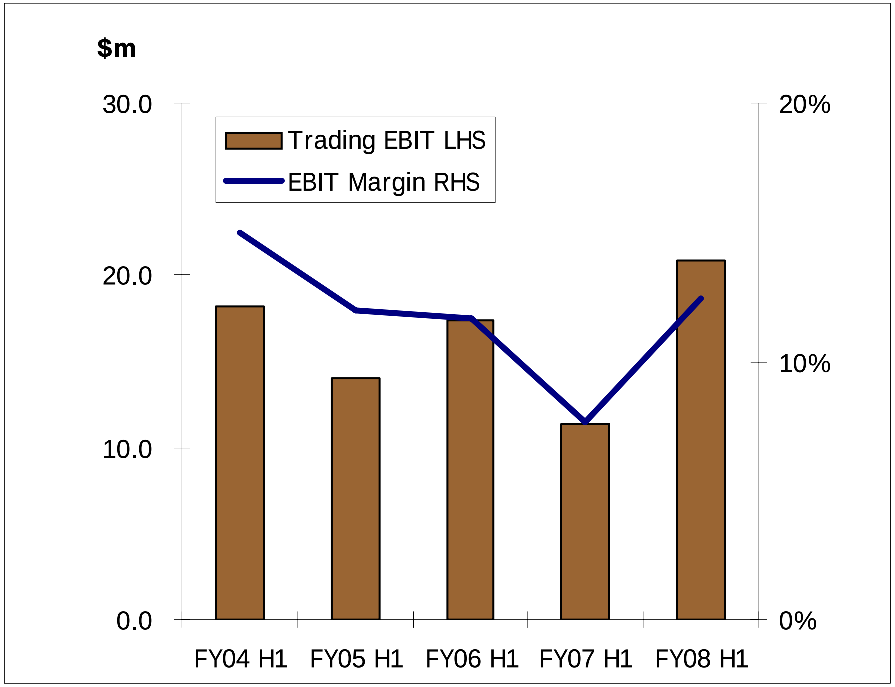
- Brand portfolio is the primary asset
- Brands driving new revenue streams through new product development
- Brand management and sourcing at best-cost underpin strong shareholder returns

Consumer Products

$ million	**FY07 H1**	FY07 H2	FY07	**FY08 H1**
Working Capital	64	46	46	60
PP&E	17	16	16	15
Intangibles	60	62	62	61
Capital Employed	**142**	127	127	**139**
Sales	**147.8**	139.7	287.5	**168.1**
EBITDA	15.5	18.6	34.1	25.3
Depreciation	2.0	2.1	4.1	2.0
EBITA	13.5	16.5	30.0	23.3
Amortisation	2.2	2.1	4.4	2.4
Trading EBIT	**11.3**	**14.3**	**25.6**	**20.9**
EBIT/Sales Margin	**8%**	10%	9%	**12%**

- EBIT up 85% to $20.9 million
- Record result follows 35% reduction last year
- Oates improvement underway
- Better seasonal conditions aided Victa recovery
- Double digit growth in Sunbeam

Consumer Products



> Record EBIT driven by new outsourcing activities, strong A$, good seasonal conditions and strict cost controls.

> Sunbeam:
- Market share gains in New Zealand
- Sustained market leadership in Australia

> Victa:
- Mower sales growth following rain
- EBIT impact enhanced with past cost reductions
- Early benefits from product diversification

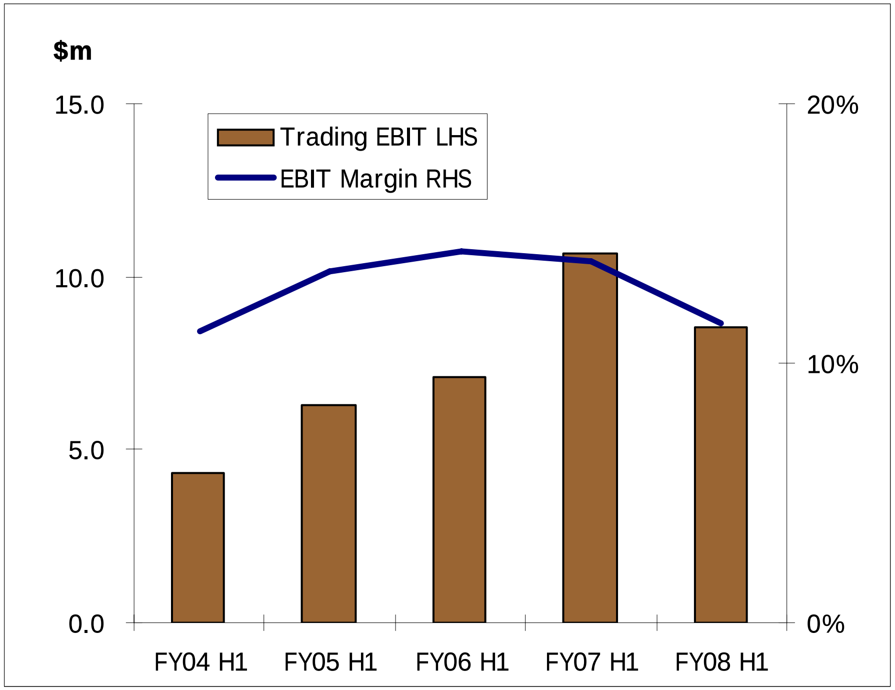
> Oates:
- Announced closure of two cleaning products factories in Australia
- Additional product sales in supermarket trade
- Bissell no longer a drag on earnings

Water Products

$ million	**FY07 H1**	FY07 H2	FY07	**FY08 H1**
Working Capital	32	31	31	34
PP&E	10	9	9	9
Intangibles	37	37	37	36
Capital Employed	**79**	78	78	**80**
Sales	**76.5**	72.2	148.8	**73.6**
EBITDA	12.1	10.0	22.1	10.0
Depreciation	1.2	1.2	2.4	1.2
EBITA	10.9	8.8	19.7	8.8
Amortisation	0.3	0.3	0.6	0.3
Trading EBIT	**10.7**	8.5	19.1	**8.5**
EBIT/Sales Margin	**14%**	12%	13%	**12%**

- EBIT down 20% to $8.5 million following 50% growth in H1 last year
- Traditional Davey business performed solidly despite low bushfire activity
- Lower demand in spa and pool businesses due to water restrictions

Water Products



> Lower pool and spa sales reduced margin

> Strong underlying demand in new markets:
  - Rainwater harvesting
  - Household water treatment

> Businesses being integrated into single management structure:
  - Operational efficiencies expected
  - New Zealand businesses merged

> Davey branding being adopted across all market segments

Automotive Products

$ million	FY07 H1	FY07 H2	FY07	FY08 H1
Working Capital	13	13	13	11
PP&E	2	1	1	1
Intangibles	2	2	2	2
Capital Employed	**19**	18	18	**16**
Sales	**34.4**	34.2	68.6	**36.5**
EBITDA	8.3	9.1	17.4	10.4
Depreciation	0.3	0.2	0.5	0.2
EBITA	8.0	8.9	16.9	10.2
Amortisation	0.0	0.0	0.0	0.0
Trading EBIT	**8.0**	8.9	16.9	**10.2**
EBIT/Sales Margin	**23%**	26%	25%	**28%**

> EBIT up 27% to $10.2 million after 14% reduction last year

> Benefits from New Zealand restructuring evident in margin improvement

> Sales growth in Wesfil due to strong geographic footprint

Security Products

$ million	FY07 H1	FY07 H2	FY07	FY08 H1
Working Capital	4	3	3	3
PP&E	4	4	4	3
Intangibles	5	5	5	5
Capital Employed	**13**	12	12	**12**
Sales	**6.9**	6.9	13.8	**7.0**
EBITDA	1.7	1.5	3.2	1.6
Depreciation	0.5	0.4	0.9	0.4
EBITA	1.2	1.1	2.3	1.2
Amortisation	0.0	0.0	0.0	0.0
Trading EBIT	**1.2**	1.1	2.3	**1.2**
EBIT/Sales Margin	**17%**	15%	16%	**17%**

> EBIT down 2% to $1.2 million

> Increasing raw material costs continue to restrain profit growth

Outlook

> Full year Trading EBIT expected to be at top of 10 to 15% guidance range

> Significant new product activity to boost Sunbeam in Mothers Day trading

> Victa positioned to benefit with diversified product range and favourable conditions

> Further benefits from Oates restructuring to be evident

> Business integration to accelerate in Water Products under Davey brand

> Balance sheet strength provides flexibility for acquisitions or capital management

> Growth in final dividend expected