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24 July 2008

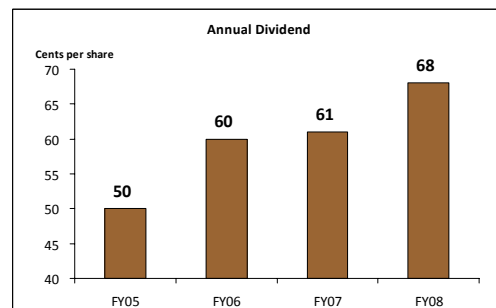
GUD Holdings Limited results for year ended 30 June 2008

Record dividend and operating performance

GUD Holdings Limited today reported an 11% increase in net profit after tax to \$37.4 million, for the year ending 30 June 2008 and a 7 cent (11%) increase in annual dividend to a record 68 cents per share fully franked. The final dividend increased 4 cents to 38 cents per share fully franked.

Net reported profit included a business restructuring cost of \$5.9 million after tax at Oates and \$1.4 million gain from the sale of Victa.

Group trading EBIT increased 14% to a record \$68.9 million from \$60.2 million previously. All businesses posted double digit EBIT growth with the exception of Water Products, which was down 29%. The Group's strong operating performance was consistent with the previous guidance range of 10% to 15% growth in trading EBIT.



Net trading profit after tax increased 16% to a record \$41.9 million from \$36.1 million in the prior year on sales which rose 3% to \$534.9 million. Trading earnings per share increased 20% to 72.5 cents per share from 60.2 cents previously.

Cash flow was strong with cash generated from operating activities up 46% to \$58.2 million. This reflects tight control over working capital and the strong profit performance.

Balance sheet strength improved through the year with net debt declining 9% to \$86.2 million. Interest cover rose to 7.9 times from 7.3 times. Despite tighter credit conditions externally, the Group is strongly liquid with \$33.1 million cash on hand, \$0.5 million in current borrowings and \$118.8 million in non-current borrowings. Bank and bill facilities were renewed during the period and the business is well positioned to invest in both organic growth and acquisitions.

The net debt position includes the receipt of \$19 million of Victa sale proceeds and \$17.7 million in share buy back payments. During the period 2.1 million shares were purchased on-market, representing 3.4% of issued capital.

“The record operating result reflects higher returns from Automotive Products, Oates and Victa, following periods of extensive restructuring and the benefits of Sunbeam’s market leadership position,” Managing Director, Mr Ian Campbell said.

Segment Summary - for the year to 30 June

\$ million	Sales			Trading EBIT		
	2007	2008	% change	2007	2008	% change
Consumer	287.5	312.5	9%	25.6	38.3	49%
Water	148.8	137.4	-8%	19.1	13.5	-29%
Automotive	68.6	71.5	4%	16.9	19.4	15%
Security	13.8	13.6	-2%	2.3	2.5	10%
Unallocated	0.0	0.0		(3.7)	(4.8)	
TOTALS	518.7	534.9	3%	60.2	68.9	14%

Note: Group trading EBIT from continuing businesses up 3% to \$63.5 million from \$61.4 million.

Note: Minor differences may occur due to rounding of amounts.

Consumer Products EBIT up 49% to \$38.3 million**Consumer Products continuing businesses EBIT up 23% to \$32.9 million**

The Victa business was sold on 30 June 2008 for \$26.9 million to Briggs and Stratton.

In FY08 Victa's EBIT increased to \$5.4 million from a small loss in the prior year. This improvement was generated from a combination of favourable growing conditions in New South Wales and Queensland, new product launches and better retailer programs leading to improved shelf presence. FY08 was an outstanding performance from Victa with EBIT exceeding the aggregate EBIT for the previous four years.

The decision to sell Victa was driven by its volatile earnings record and uncertain outlook. Smaller lawns, prolonged water restrictions and a devaluation of the market from low cost, poor quality imported products would have restrained future shareholder returns. Briggs and Stratton is a more appropriate owner for the market leading Victa brand.

Sunbeam continued to grow market share in Australia and New Zealand and posted double digit EBIT growth in FY08. It benefited from a strong heating products season on both sides of the Tasman. Cost pressures from raw material price increases, the withdrawal of China export rebates, the appreciating Chinese currency and increased shipping costs were partially offset by the strengthening Australia dollar.

Sunbeam is preparing to confront challenges from an increasingly competitive environment, increasing interest rates and low levels of consumer confidence. A renewed focus on internal cost reduction coupled with continued new product activity to drive sales and margin growth will underpin Sunbeam's response to these challenges.

Oates also reported substantially improved EBIT in FY08. A combination of exiting the loss-making Bissell distributorship, the move to an outsourcing business structure and securing new business produced the improvement.

Further growth in Oates' EBIT is expected in FY09 as the business obtains a full year's benefit from the outsourcing program. Additionally, a revitalised management team, a renewed focus on new product development and an imminent re-launch of the Oates brand, will provide the platform for further profit growth.

Water Products EBIT declined 29% to \$13.5 million

Following four years of sustained growth, EBIT from Water Products declined due to difficulties in the pool and spa segments. Demand for swimming pools, spa baths and spa pools declined and market conditions became unusually competitive as a result.

The Monarch Pool Systems business also suffered as sales and margins declined from its largest single customer, a US pool industry supplier, due to the depreciating US dollar. Monarch also required more structural change than expected to obtain operational efficiencies and its labour force, based predominantly in Western Australia, experienced significant turnover and shortages.

The core Davey business increased its contribution from the prior year as it benefited from further growth in recently introduced products, especially RainBank.

A profit recovery program is in place at the Water Products business to ensure more satisfactory returns in FY09. Manufacturing in Perth has ceased and Western Australian operations have been consolidated onto one site. The pool sales and service functions have been merged to form a more efficient structure and research and development has been centralised. A single management structure has been implemented across Water Products and the single Davey branding proposition is being introduced over the course of FY09.

These initiatives, along with a continued attractive outlook for the water products sector, will underpin higher returns in FY09

Automotive Products EBIT up 15% to \$19.4 million

The Automotive Products business achieved a record EBIT in FY08. Both Ryco and Wesfil took advantage of the closure of the automotive wholesaler National Parts in the second half. Ryco anticipated this event and adopted a strategy of opening alternative routes to market during the first half of the year.

Returns from the New Zealand Ryco business improved following the prior year's factory closure and reconfiguring to a sourcing business.

Similar to all other GUD businesses, the Automotive group experienced cost pressures from offshore suppliers, some of which was offset by the local currency's strength.

Demand for automotive filters and other aftermarket parts will come under pressure as petrol prices remain at record highs and distances travelled decline.

The transformation of this business is now complete and focus has shifted to growing sales and margins through brand management, entering emerging new segments and in gaining new customers. Ryco will supply the Supercheap Auto chain of retail outlets in Australia commencing August 2008.

Security Products EBIT up 10% to \$2.5 million

Another solid EBIT performance was reported by the Security business despite a minor drop in sales. The business experienced cost pressure from increasing brass and zinc prices, but invested in further automation to reduce factory costs.

Outlook

“GUD is strongly positioned to sustain earnings from our continuing businesses despite the competitive and less certain macro environment,” Mr Campbell said.

“Our market leading brands, on-going focus on new products, tight working capital management and a cost reduction program will assist in maintaining solid returns,” he said.

“The sale of Victa will impact first half year profit comparisons as it generated 22% of Consumer Products EBIT in the December half year.”

“Our objective for trading EBIT for the full FY09 year is to be around the FY08 continuing business level of \$63.5 million. We expect growth from the Water Products business to be offset by demand and cost pressures in some of our other businesses. FY09 earnings per share will benefit from the FY08 share buyback activity.”

“Due to our strong balance sheet and healthy surplus of franking credits we are well placed to maintain a high dividend payment.”

For further information:

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