UBS

UBS Investment Research

GUD Holdings Limited

F/x impact some months away

Global Equity Research

Australia

Auto Parts

12-month rating	Neutral *Unchanged*
12m price target	A$5.15/US$3.44 *Prior:A$4.30/US$2.88*
Price	A$5.80/US$3.88

RIC: GUD.AX BBG: GUD AU

28 January 2009

■ Consumer EBIT holds up given f/x hedge & mkt share gains

GUD reported 1H09 NPAT of $16.9m (vs UBSe $17.2m) including a one off interest rate hedging cost of $3.7m. Total EBIT fell 2% to $32.6m vs pcp. 1H09 EBIT margin of 13.7% were materially higher than UBSe 11.4% with management's successful Oates restructure a major factor. Weak 1H operating cashflow represented a return to tighter supplier conditions but will reverse in 2H. Final div of 27cps vs UBSe 28c.

■ EPS raised by +4% in FY09/10

FY09 EPS is raised by 4% largely due to higher margins in consumer products given Oates benefits. While most product price rises have gone through, no earnings guidance and significant uncertainty over cal. '09 have us remain cautious with our estimates. We forecast revenue declines for all divisions in FY10 aside from Auto, which should be supported by low oil prices and higher demand from DIY.

■ Current premium justified, but consumer risk limits upside

GUD has outperformed the small ords by 9.5% over the past 3 months, no surprise given its strong suite of brands, excellent management in our view and mkt share gains. GUD currently trades at a 10-15% premium to the emerging companies average forward PE (vs a long term history of 10-20% discount). Quality vs peers looks to be fully priced in given consumer risk – our Neutral recommendation remains.

■ Valuation: price target raised to $5.15 (from $4.30)

Our sum of the parts valuation multiples are unchanged. As a cross check our DCF suggests significant upside potential on a longer term view.

Highlights (A$m)	06/07	06/08	06/09E	06/10E	06/11E
Revenues	524.0	535.1	463.1	457.4	468.1
EBIT (UBS)	60.2	68.9	59.0	53.7	60.6
Net Income (UBS)	35.9	41.9	33.0	33.6	38.7
EPS (UBS, A$)	0.60	0.70	0.57	0.58	0.67
Net DPS (UBS, A$)	0.61	0.65	0.57	0.52	0.60

Profitability & Valuation	5-yr hist av.	06/08	06/09E	06/10E	06/11E
EBIT margin %	13.9	12.9	12.7	11.7	12.9
ROIC (EBIT) %	34.1	31.7	28.3	25.8	30.1
EV/EBITDA (core) x	6.8	8.5	6.1	6.6	5.7
PE (UBS) x	11.0	14.3	10.2	10.0	8.7
Net dividend yield %	6.7	6.5	9.8	9.0	10.3

Source: Company accounts, Thomson Financial, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items.
Valuations: based on an average share price that year, (E): based on a share price of A$5.80 on 28 Jan 2009 17:12 EST

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Trading data (local/US$)

52-wk range	A$10.80-3.58/US$10.14-2.28
Market cap.	A$0.34bn/US$0.22bn
Shares o/s	57.8m (ORD)
Free float	100%
Avg. daily volume ('000)	152
Avg. daily value (A$m)	0.7

Balance sheet data 06/09E

Shareholders' equity	A$0.12bn
P/BV (UBS)	2.8x
Net Cash (debt)	(A$0.10bn)

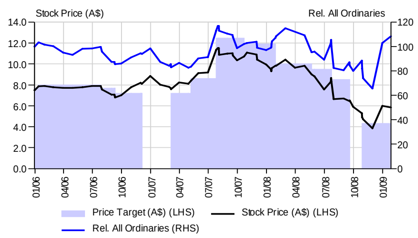
Forecast returns

Forecast price appreciation	-11.2%
Forecast dividend yield	13.1%
Forecast stock return	+1.9%
Market return assumption	7.8%
Forecast excess return	-5.9%

EPS (UBS, A$)

	06/09E			06/08
	From	To	Cons.	Actual
H1E	-	0.29	-	0.39
H2E	-	0.28	-	0.31
06/09E	0.53	0.57	*0.61*	
06/10E	0.53	0.58	*0.63*	

Performance (A$)



Source: UBS

www.ubs.com/investmentresearch

1H09 Result Review

Margins maintained – for now…

GUD reported FY08 NPAT of $16.9m (UBSe $17.2m) including a pre-tax charge of $3.7m related to the restructure of interest rate hedges. While the charge is one-off in nature we have treated the cost as a component of financing expense given GUD will enjoy a lower interest charge in 2H09 and beyond as a result of the restructure. Our forecasts assume a $4m net interest expense in 2H09.

Final dividend of 27c was broadly in line with our 28c estimate.

Key positives include:

- **Excellent consumer margins**: Sunbeam new product launches, Oates restructuring and f/x hedges combined have resulted in an EBIT margin of 12.9% in 1H09, up on 2H08 and significantly higher than our forecast despite softening demand. Price increases, f/x hedging for the next 4/5 months and lower freight costs should all help to offset deteriorating conditions in 2H09.

- **Market share gains**: While varied by channel, Sunbeam and Wesfil in particular continue to take market share, benefiting from sharp pricing during the Christmas period given f/x hedge positions.

- **Any negatives**? Supplier risk is clearly increasing as global demand weakens. While GUD have been diversifying sourcing (particularly in conjunction with the Oates restructure) tighter supplier terms are showing up in GUD's increased working capital requirements. Supplier reliability will be a key focus of management in FY10.

  GUD operating cash outflow of $-14.4m compared to an inflow of $+13.3m in 1H08 (admittedly an unusual year) as trading terms tighten. With a return to a normalised working capital profile, we expect cashflow will be reversed in 2H09. It is worth noting inventories were up 5% at end 1H09 vs pcp, working capital will be a key measure to watch for FY09 results.

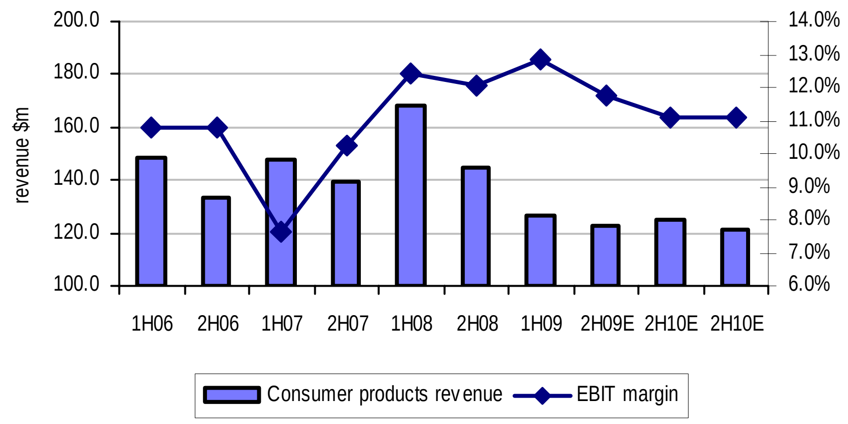
  Management expect net debt of $123m to decline to $100m by end June, suggesting a manageable net debt/EBITDA ratio of 1.4x by year end.

No guidance: With NZ demand weak, select non-specialist retail channels struggling and f/x hedges rolling off, it's understandable management haven't given earnings guidance. Trading in January has continued to be solid with several brands segments (Davey international, Security products) likely to benefit from retailer restocking and a weaker $A. Higher margin consumer products and pool/spa sales however continues to look vulnerable.

Result Overview by division:

- **Consumer products**: Stripping out Victa, consumer EBIT was maintained at $16.3m on the back of a decrease in underlying sales of 1%. Sunbeam sales growth in particular varies widely between retailers.
- We have raised our EBIT margin assumptions but still forecast a decline in 2H09 to 11.7% from the 12.9% reported in 1H09. While raw material and freight costs continue to come down, cost inflation as hedges roll off have us cut our consumer EBIT margin to 11.1% in FY10.

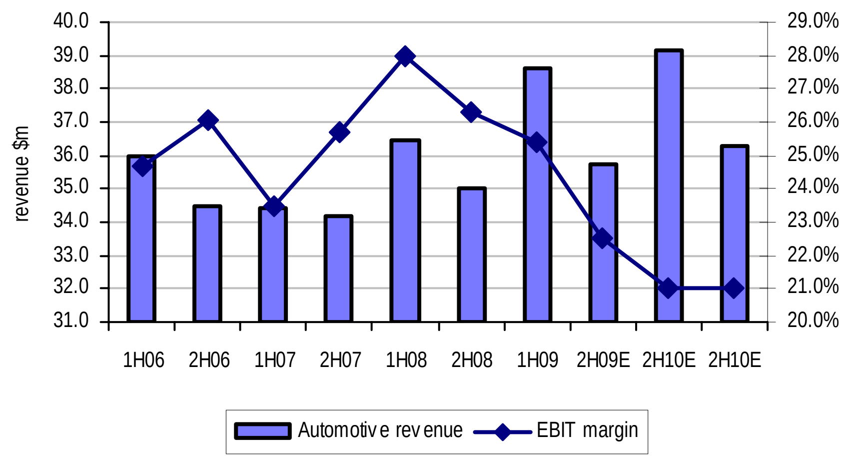
Chart 1: Consumer products margin – impacted by Victa sale



Source: company data, UBS

- **Automotive products**: Automotive revenue growth was 6% for 1H09, well above our forecast decline of -1% for 1H09. Lower fuel and mortgage costs boosting discretionary income would have helped, along with benefits from the closure of National Parts in the prior period. Auto EBIT margin of 25.4% was in line with our 25.0% forecast, however we forecast a decline in 2H09 to 22.5% and to 21% in FY10 as f/x hedging rolls off.

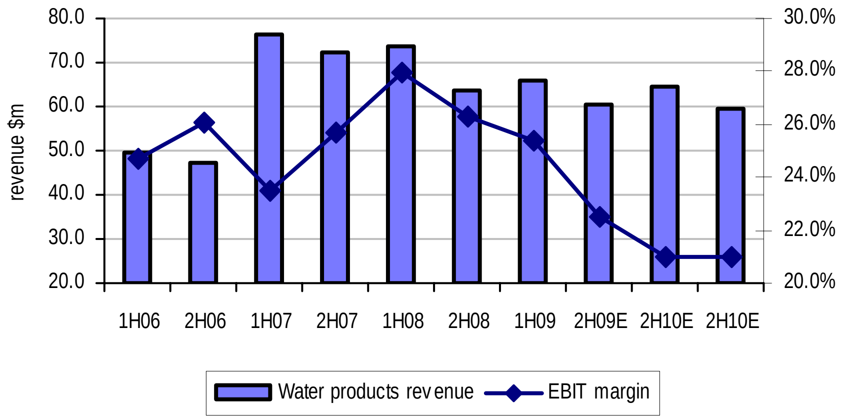
Chart 2: Automotive products margin



Source: company data, UBS

- **Water products**: The impact of the water products restructuring continues with revenue down 11% for 1H09 vs pcp on the back of pool/spa products. Restructuring costs associated with ending contracts are expensed rather than taken as an exceptional for closure of the Perth manufacturing facilities and centralising R&D, and while divisional margins did improve for the period, we forecast them to deteriorate in 2H09 given import inflation more than offsetting increased international sales of Davey product.

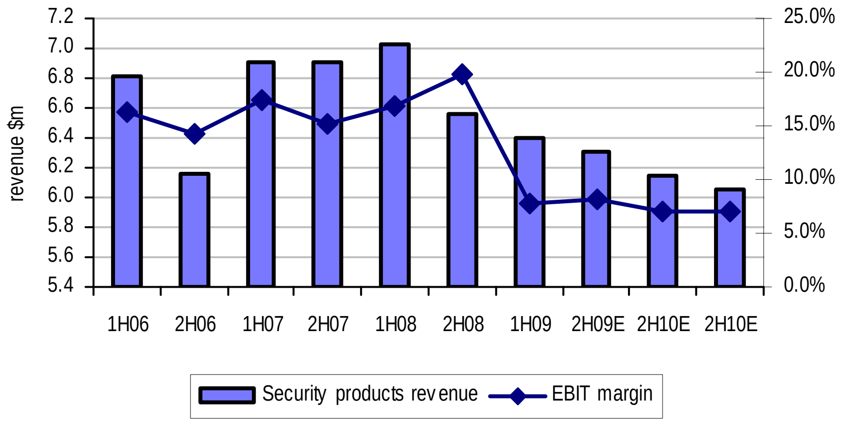
Chart 3: Water products margin



Source: company data, UBS

- **Security products**: GUD's smallest division, Security product earnings have been impacted by import substitution, a situation that may turnaround in 2H09 given the decline of the A$.

Chart 4: Security products margin



Source: company data, UBS

Table 1: GUD – results summary

(A$m)	H1 08A	H1 09A	(%) change	UBSe UBS H1 09E	(%) change
Revenues	285.8	237.5	(16.9)	241.0	(1.5)
EBITDA	44.8	37.8	(15.7)	32.3	14.4
Depreciation & Amortisation	(6.5)	(5.2)	20.5	(5.0)	(4.1)
EBIT	38.3	32.6	(14.9)	27.4	16.0
Net Interest Expense	(4.7)	(8.8)	(85.5)	(2.9)	(66.5)
Earnings Before Tax	33.6	23.8	(29.0)	24.4	(2.5)
Tax Expense	(7.6)	(7.0)	8.0	(7.2)	3.6
Net Profit (pre-abnormals)	23.5	16.9	(28.0)	17.2	(2.0)
Goodwill & abnormals after tax	-	-	na	-	na
Reported NPAT	17.5	16.9	(3.5)	17.2	(2.0)
DPS (cents)	30.0	27.0	(10.0)	28.0	(3.7)
EBITDA margin (%)	15.7	15.9	1.5	13.4	15.7
EBIT margin (%)	13.4	13.7	2.5	11.4	17.3

Source: UBSe

Change in earnings

- Our key changes to earnings are summarised below. Of note, we have upped our interest expense for FY09 including the cost of interest rate restructure (offset against a lower rate going forward).

Table 2: GUD – change in earnings

GUD Holdings Limited (A$m)	Actual 2008	New 2009E	Prev. 2009E	(%) Change	New 2010E	Prev. 2010E	(%) Change	New 2011E	Prev. 2011E	(%) Change
Revenues	535.1	463.1	454.0	2.0	457.4	446.1	2.5	468.1	456.1	2.6
EBITDA	81.5	69.7	60.4	15.2	64.7	60.3	7.2	71.9	70.8	1.5
EBIT	68.9	59.0	50.5	16.7	53.7	50.7	5.9	60.6	60.6	(0.0)
Net interest expense	(9.5)	(12.2)	(5.9)	108.5	(6.1)	(5.6)	7.2	(5.7)	(5.6)	(2.7)
PBT	52.4	46.8	44.7	4.7	47.7	45.1	5.7	54.8	55.0	(0.3)
Tax Expense	(15.0)	(13.8)	(13.2)	4.8	(14.1)	(13.3)	5.9	(16.2)	(16.2)	0.2
Tax Rate (%)	(28.6)	(29.5)	(29.5)	0.1	(29.5)	(29.5)	0.1	(29.5)	(29.5)	(0.1)
Net Profit (normalised)	41.9	33.0	31.5	4.7	33.6	31.8	5.7	38.7	38.8	(0.3)
Reported NPAT	37.4	33.0	31.5	4.7	33.6	31.8	5.7	38.7	38.8	(0.3)
EPS	62.6	56.9	54.9	3.7	58.0	55.9	3.9	66.8	68.2	(2.0)
EPS (normalised)	70.2	56.9	54.9	3.7	58.0	55.9	3.9	66.8	68.2	(2.0)
DPS	65.0	57.0	54.0	5.6	52.0	55.0	(5.5)	60.0	67.0	(10.4)

Source: UBSe

Valuation & Rating

- While there is no question GUD's underlying 1H09 result was better than we forecast, f/x driven product price inflation and rapidly declining consumer sentiment are more of a calendar 2009 story, particularly as f/x hedges mostly run through for the majority of 2H09. While freight rates and some product prices are coming down with commodity inputs, currency will still be the key driver in our view.

- The speed of progress with the Oates restructure (and now Monarch) continues to impress, with GUD's sales growth and margins in select lines continuing to show market share improvements, particularly in the light of Breville's expected -5-10% underlying decline in NPAT for the period.

- Our sum of the parts valuation has been updated given new forecasts, however we have left our EBIT multiples unchanged, contrasting the strong longer term growth outlook of water products vs the near term risk in more cyclical divisions such as consumer products. With higher underlying EBIT forecasts our valuation is raised to $5.13. Representing 9x FY10 EPS, we still believe GUD management and brand quality deserve a premium to the emerging companies average of 8.5x, however share price upside to our rounded $5.15 price target will likely be limited by fragile consumer confidence and our Neutral recommendation remains.

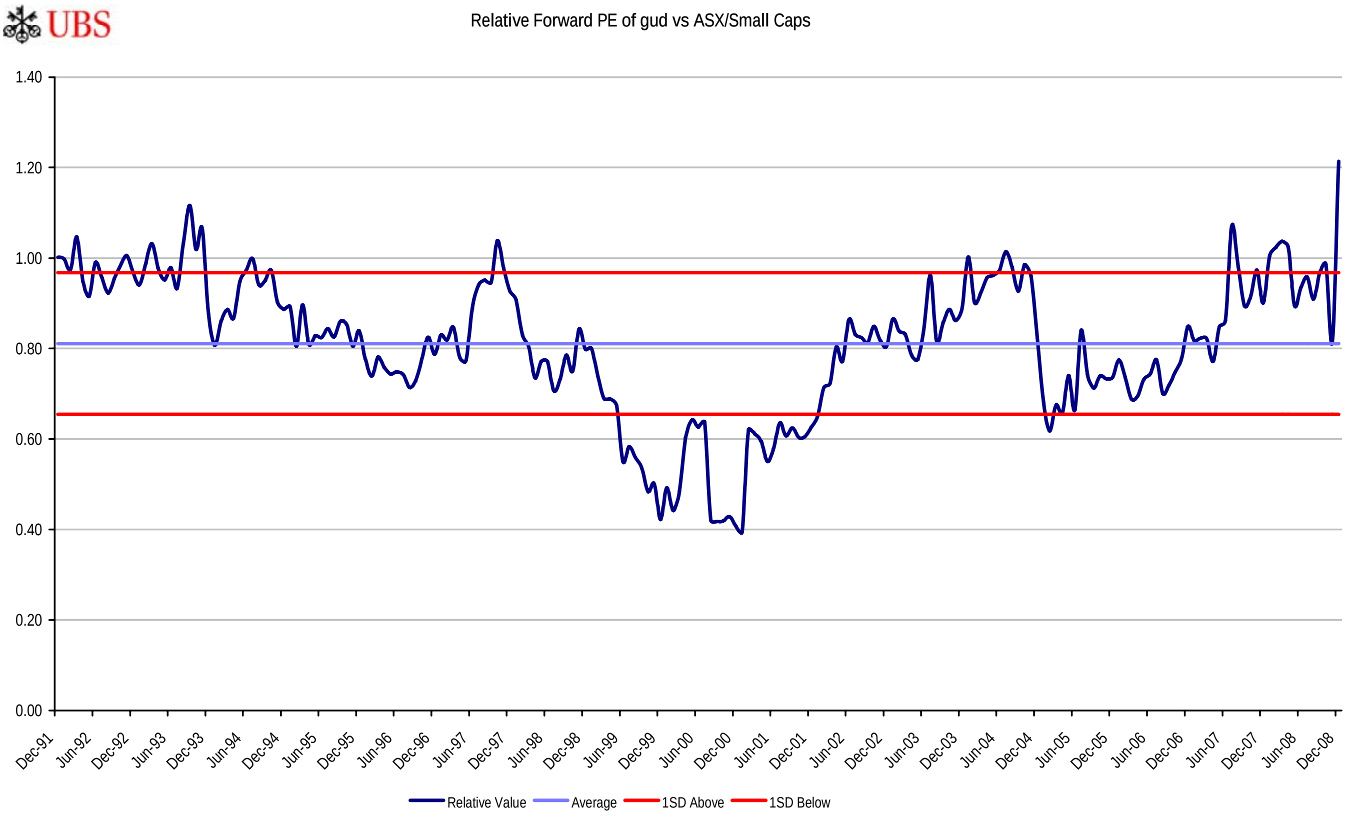
- As a cross check our DCF valuation gives a current valuation of $6.84 using a WACC of 10.3% (beta 1.3, risk free rate of 6% and 30% long term debt/equity). We use explicit forecasts to 2012, a 2.5% growth rate to 2015 and a 2% terminal growth rate thereafter.

Table 3: Sum of the parts valuation

	FY09e EBIT $m	EBIT Multiple x	Value ($m)
Consumer Products	30.7	6.5	199.6
Automotive	17.8	6.0	107.1
Water Products	14.3	8.0	114.2
Security Products	1.0	6.5	6.6
Unallocated	-3.9	5.5	-21.5
- - -	-	-	-
Firm Value	59.9	6.8	406.1
Investments			0.0
Less avg debt ($m)			-110.0
Equity Valuation			296.1
Total Diluted Ord Shares (m)			57.8
SOP: Value per Share			5.13

Source: UBSe

Chart 5: GUD 1 yr forward PE relative to ASX/small caps average



Source: UBSe

GUD Holdings (GUD.AX)

MARKET INFORMATION

Rating:	**Neutral**
Price (as of 28-Jan-09): (A$)	5.80
Price Target (12 months): (A$)	**5.15**
Shares outstanding: (m)	57.8
Market Capital (A$ m):	335.5
Avg. daily turnover (A$ m):	0.7
Year end:	June
Website:	www.gud.com.au
Major Shareholders:	Perpetual, Invesco

COMPANY DESCRIPTION

GUD Holdings (GUD) owns and manages a diverse group of businesses selling branded manufactured products in Australia and New Zealand. GUD operates several of Australia's most established and well-recognised consumer and industrial brands, including Sunbeam appliances, Ryco filters, Davey pumps and Oates cleaning accessories. GUD was formed in 1940 and first listed in 1959.

INVESTMENT SUMMARY

(A$ m)	2008	2009E	2010E	2011E
Net profit [reported]	37.4	33.0	33.6	38.7
Net profit [adjusted]	41.9	33.0	33.6	38.7
EPS [reported]	0.63	0.57	0.58	0.67
EPS [adjusted, diluted]	**0.70**	**0.57**	**0.58**	**0.67**
EPS Growth (%)	16.7	(18.7)	2.0	15.0
PER [adjusted]* (x)	**14.3**	**10.2**	**10.0**	**8.7**
Dividend	0.65	0.57	0.52	0.60
Payout ratio, [EPS adj.] (%)	*93*	*100*	*90*	*90*
Dividend Yield [Net]* (%)	**6.5**	**9.8**	**9.0**	**10.3**
Shares [period-avg, basic] (m)	59.9	57.8	57.8	57.8
Book value per share	*2.07*	*2.07*	*2.13*	*2.20*
Price to Book (x)*	*4.8*	*2.8*	*2.7*	*2.6*
Equity Free Cash Flow Yield (%)	*13.2*	*8.7*	*14.0*	*11.9*
Franking (%)	100	100	100	100

KEY RATIOS

	2008	2009E	2010E	2011E
Profitability (%)				
Revenue growth	*2.1*	*(13.5)*	*(1.2)*	*2.3*
EBITDA margin	*15.2*	*15.0*	*14.1*	*15.4*
EBIT margin	*12.9*	*12.7*	*11.7*	*12.9*
Effective tax rate	*28.6*	*29.5*	*29.5*	*29.5*
Return on Inv Cap (post-tax)	*22.4*	*20.0*	*18.2*	*21.2*
Return on Equity	*32.3*	*27.5*	*27.6*	*30.8*
Capital Structure				
Net Debt / EBITDA (x)	*1.1*	*1.3*	*1.4*	*1.1*
Net Debt / Common equity (%)	*71.8*	*83.0*	*67.1*	*61.1*
Net Debt / Core EV (x)*	*0.1*	*0.2*	*0.2*	*0.2*
Capex / Depreciation (x)	*0.6*	*0.6*	*0.6*	*0.6*
EBIT / Net Interest (x)	*7.3*	*4.8*	*8.9*	*10.6*

PROFIT AND LOSS

(A$ m)	2008	2009E	2010E	2011E
Revenue	535.1	463.1	457.4	468.1
EBITDA [adjusted]	**81.5**	**69.7**	**64.7**	**71.9**
Depreciation & Amortisation	(12.6)	(10.7)	(10.9)	(11.3)
EBIT [adjusted]	**68.9**	**59.0**	**53.7**	**60.6**
Net interest	(9.5)	(12.2)	(6.1)	(5.7)
Income from associates	0.0	0.0	0.0	0.0
Other non-operating items	0.0	0.0	0.0	0.0
Profit before tax [adj]	**59.5**	**46.8**	**47.7**	**54.8**
Tax on pre-abnormal profit	(17.5)	(13.8)	(14.1)	(16.2)
Minority Interests	0.0	0.0	0.0	0.0
Dividends (preferred)	0.0	0.0	0.0	0.0
Net Profit [adjusted]	**41.9**	**33.0**	**33.6**	**38.7**
Abnormal Gain/(Loss) after Tax	(4.6)	0.0	0.0	0.0
Net Profit [reported]	**37.4**	**33.0**	**33.6**	**38.7**

PROFIT AND LOSS [HALF YEAR]

(A$ m)	1H 08	2H 08	1H 09E	2H 09E
Revenue	285.8	249.1	237.5	225.6
EBITDA [adjusted]	**44.8**	**36.7**	**37.8**	**31.9**
Depreciation & Amortisation	(6.5)	(6.1)	(5.2)	(5.5)
EBIT [adjusted]	**38.3**	**30.6**	**32.6**	**26.4**
Net interest	(4.7)	(4.5)	(8.8)	(3.5)
Income from associates	0.0	0.0	0.0	0.0
Other non-operating items	0.0	0.0	0.0	0.0
Profit before tax [adj]	**33.6**	**26.1**	**23.8**	**22.9**
Tax on pre-abnormal profit	(10.2)	(7.4)	(7.0)	(6.8)
Minority Interests	0.0	0.0	0.0	0.0
Dividends (preferred)	0.0	0.0	0.0	0.0
Net Profit [adjusted]	**23.5**	**18.7**	**16.9**	**16.1**
Abnormal Gain/(Loss) after Tax	(5.9)	0.0	0.0	0.0
Net Profit [reported]	**17.5**	**18.7**	**16.9**	**16.1**

BALANCE SHEET

(A$ m)	2008	2009E	2010E	2011E
Cash & equivalents	33.1	17.7	17.7	17.7
Accounts receivable	65.9	76.2	67.7	69.3
Inventory	81.4	82.0	81.0	82.9
Fixed assets	20.2	20.6	22.1	23.4
Intangibles	92.2	92.8	87.4	82.0
Investments	4.7	4.7	4.7	4.7
Other assets	4.7	4.9	4.9	4.9
Total Assets	**302.3**	**298.9**	**285.5**	**284.9**
Accounts payable	45.1	48.4	48.3	48.8
Short & long term debt	119.3	117.4	100.6	95.6
Provisions & other	17.8	13.1	13.1	13.1
Preferred securities	0.0	0.0	0.0	0.0
Total liabs & pref shares	**182.2**	**178.9**	**162.0**	**157.4**
Minorities	0.0	0.0	0.0	0.0
Common equity	120.1	120.0	123.5	127.5
Total liabilities & equity	**302.3**	**298.9**	**285.5**	**284.9**
Net cash / (debt)	**(86.2)**	**(99.7)**	**(82.8)**	**(77.9)**

ENTERPRISE VALUE*

(A$ m)	2008	2009E	2010E	2011E
Market capital	601.4	335.5	335.5	335.5
Net debt / (cash) [avg]	90.4	92.9	92.9	80.4
Estimated share buy backs	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Pension provisions	0.0	0.0	0.0	0.0
Total Enterprise Value	**691.8**	**428.4**	**428.4**	**415.8**
(Non-core assets)	0.0	0.0	0.0	(4.7)
Core Enterprise Value	**691.8**	**428.4**	**428.4**	**411.1**
Core EV Ratios				
EV / Sales	*1.3*	*0.9*	*0.9*	*0.9*
EV / EBITDA	*8.5*	*6.1*	*6.6*	*5.7*
EV / EBIT	*10.0*	*7.3*	*8.0*	*6.8*
EV / OpFCF [post-tax]	*9.3*	*7.7*	*6.4*	*6.6*
EV / Invested Capital	*3.2*	*2.1*	*2.1*	*2.0*

DIVISIONAL BREAKDOWN

(A$ m)	2008	2009E	2010E	2011E
Total Revenue	**535.1**	**463.1**	**457.4**	**468.1**
Sunbeam Victa	312.5	249.7	245.9	251.3
Ryco Wesfil	71.5	74.3	75.5	76.2
Davey Pumps	137.4	126.4	123.8	128.2
Lock Focus	13.6	12.7	12.2	12.3
EBIT	**68.9**	**59.0**	**53.7**	**60.6**
Sunbeam Victa	38.3	30.7	27.3	29.9
Ryco Wesfil	19.4	17.8	15.8	18.3
Davey Pumps	13.5	14.3	14.6	16.0
Lock Focus	2.5	1.0	0.9	1.2
Adjustment	(4.8)	(4.9)	(4.9)	(4.9)

CASH FLOW

(A$ m)	2008	2009E	2010E	2011E
Operating income [EBIT, UBS]	68.9	59.0	53.7	60.6
Depreciation & Amortisation	12.6	10.7	10.9	11.3
Net change in working capital	(0.6)	(7.6)	9.4	(3.0)
Other (operating)	0.0	0.0	0.0	0.0
Pre-tax op cash flow	**80.9**	**62.1**	**74.1**	**68.8**
Interest (paid) / received	(9.5)	(12.2)	(6.1)	(5.7)
Tax paid	(13.3)	(13.8)	(14.1)	(16.2)
Other	0.0	0.0	0.0	0.0
Operating cash flow	**58.2**	**36.1**	**54.0**	**46.9**
Capital expenditure	(8.0)	(6.8)	(6.8)	(6.8)
Free cash flow	**50.2**	**29.3**	**47.2**	**40.1**
Net (acquisitions) / disposals	11.4	(2.5)	(7.0)	(7.2)
Dividends paid (Common)	(38.4)	(33.0)	(30.1)	(34.7)
Shares issued/(repurchased)	0.0	0.0	0.0	0.0

*Source: UBS estimates, * Historical valuations are based on an average share price for the period. Current & future valuations are based on a share price of A$5.80 on 28-Jan-2009*

■ GUD Holdings Limited

GUD Holdings (GUD) owns and manages a diverse group of businesses selling branded manufactured products in Australia and New Zealand. GUD operates several of Australia's most established and well-recognised consumer and industrial brands, including Sunbeam appliances, Ryco filters, Davey pumps and Oates cleaning accessories. GUD was formed in 1940 and first listed in 1959.

■ Statement of Risk

We believe the key risks include a downturn in spending on homewares in Australia, adverse currency movements, and variations in the cost of raw materials.

■ Analyst Certification

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UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage[1]	IB Services[2]
Buy	**Buy**	53%	36%
Neutral	**Hold/Neutral**	36%	34%
Sell	**Sell**	10%	20%
UBS Short-Term Rating	**Rating Category**	**Coverage[3]**	**IB Services[4]**
Buy	**Buy**	less than 1%	43%
Sell	**Sell**	less than 1%	22%

1:Percentage of companies under coverage globally within the 12-month rating category.
2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.
3:Percentage of companies under coverage globally within the Short-Term rating category.
4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 December 2008.

UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	**Definition**
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.
Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).
Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.
Short-Term Ratings reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case.

EXCEPTIONS AND SPECIAL CASES

UK and European Investment Fund ratings and definitions are :
Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Sell: Negative on factors such as structure, management, performance record, discount.
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UBS Securities Australia Ltd: Lachlan Parker.

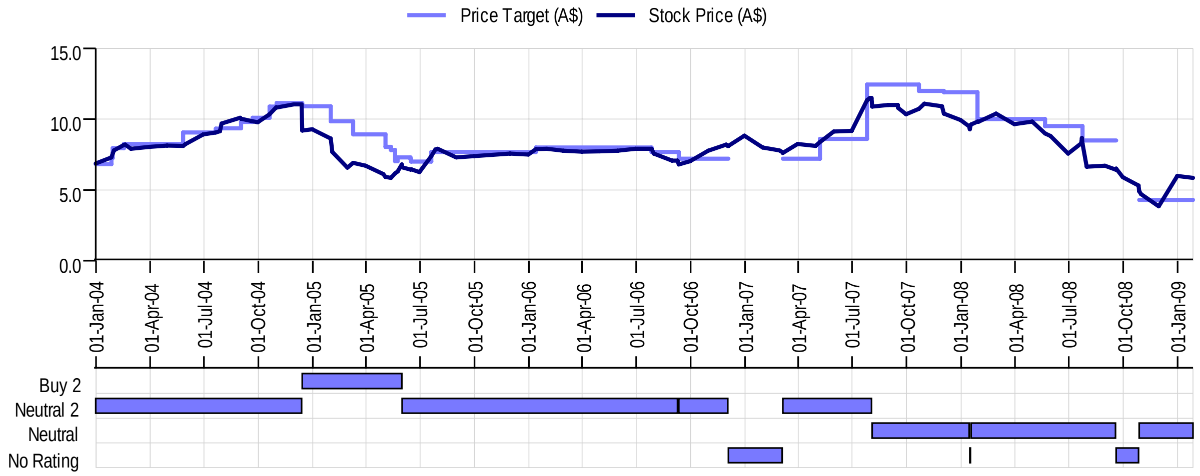
Company Disclosures

Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
GUD Holdings Limited	GUD.AX	Neutral	N/A	A$5.85	27 Jan 2009

Source: UBS. All prices as of local market close.
Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

GUD Holdings Limited (A$)



Source: UBS; as of 27 Jan 2009

Note: On August 4, 2007 UBS revised its rating system. (See 'UBS Investment Research: Global Equity Rating Definitions' table for details). From September 9, 2006 through August 3, 2007 the UBS ratings and their definitions were: Buy 1 = FSR is > 6% above the MRA, higher degree of predictability; Buy 2 = FSR is > 6% above the MRA, lower degree of predictability; Neutral 1 = FSR is between -6% and 6% of the MRA, higher degree of predictability; Neutral 2 = FSR is between -6% and 6% of the MRA, lower degree of predictability; Reduce 1 = FSR is > 6% below the MRA, higher degree of predictability; Reduce 2 = FSR is > 6% below the MRA, lower degree of predictability. The predictability level indicates an analyst's conviction in the FSR. A predictability level of '1' means that the analyst's estimate of FSR is in the middle of a narrower, or smaller, range of possibilities. A predictability level of '2' means that the analyst's estimate of FSR is in the middle of a broader, or larger, range of possibilities. From October 13, 2003 through September 8, 2006 the percentage band criteria used in the rating system was 10%.

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