



GUD Holdings Limited

A.B.N. 99 004 400 891

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

21 May, 2010

Manager, Company Announcements,
ASX Limited,
Level 4,
20 Bridge Street,
Sydney NSW 2000

Dear Sir

GUD HOLDINGS LIMITED PROPOSES OFFER TO ACQUIRE DEXION LIMITED

Kindly find attached an Announcement of a conditional proposal to acquire Dexion Limited (DEX).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Malcolm G Tyler', written over a light grey rectangular background.

Malcolm G Tyler
Company Secretary

Att.



GUD Holdings Limited

A.B.N. 99 004 400 891

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

21 May 2010

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
Sydney NSW 2000

GUD HOLDINGS LIMITED PROPOSES OFFER TO ACQUIRE DEXION LIMITED

GUD Holdings Limited ("GUD") today confirms that it has signed a Takeover Bid Implementation Agreement ("Agreement") with Dexion Limited ("Dexion") under which, subject to the satisfactory completion of confirmatory due diligence, it would make an off-market takeover bid ("Offer") to acquire all the issued shares of Dexion, a leading provider of solutions for the industrial and commercial storage markets in Australia, New Zealand, Asia and the Middle East.

Pursuant to the Agreement, the Dexion Board has agreed to recommend the Offer, in the absence of a superior proposal.

As stated above, the proposed Offer is conditional upon the satisfactory completion of confirmatory due diligence on Dexion. Dexion has agreed to allow GUD four weeks to complete its due diligence and has granted GUD exclusivity for this period. At or before the end of the due diligence period, GUD will announce whether or not it will proceed with the formal Offer. Until that time, there is no certainty that a formal offer will proceed.

The proposed Offer is at a price of A\$0.80 cash per Dexion share, reflecting a 100% premium to the Dexion share price of A\$0.40 at close of trade on 20 May 2010. This equates to an equity valuation and enterprise valuation ("EV") for Dexion of A\$84 million and A\$109 million respectively, and represents an EV / EBITA multiple of 9.5x based on the midpoint of Dexion's earnings guidance for the year ending 31 December 2010 as announced by Dexion at its AGM on 22 April 2010.

GUD expects the acquisition, if it proceeds, will be earnings per share accretive in GUD's first full year of ownership. GUD has the capacity to fund the proposed Offer using existing cash and committed bank facilities; however, it is currently in the process of determining its preferred acquisition funding mix.

Commenting on the Agreement, GUD Chairman Mr Clive Hall said, "The rationale for the proposed Offer is clear and compelling, and provides benefits for both sets of shareholders."

"For Dexion shareholders, the Offer represents an excellent price for their shares at what can only be regarded as an extremely attractive premium that provides certainty of value today."



GUD Managing Director, Mr Ian Campbell said, “For shareholders in GUD, the transaction will be earnings per share accretive and will further diversify our portfolio to include industrial and commercial storage solutions where Dexion is the clear leader in the Australian and New Zealand markets.

“Moreover, the acquisition will result in a significant growth platform for GUD, adding an international dimension to the company as well as providing access to growth sectors in distribution and third-party logistics. With our financial resources and access to capital, we expect to support and accelerate these opportunities.”

The Offer would be subject to a 90% minimum acceptance condition, receipt of regulatory approvals (if any) and other customary conditions.

GUD will update the market on any further developments in accordance with its continuous disclosure obligations.

GUD has appointed J.P. Morgan and Freehills to act as financial and legal advisor respectively on the proposed Offer.

About GUD

GUD Holdings Limited is listed on the ASX and has a market capitalisation of approximately \$520 million.

GUD is an active manager of a number of leading consumer and industrial product businesses in Australia and New Zealand. GUD operates through four discrete business divisions: Consumer Products, Water Products, Automotive Products and Security Products. Through these businesses, GUD is the owner and manager of one of the Asia-Pacific region's premier brand portfolios. Most of these brands are market leaders in their product categories.

GUD's principal skills are in brand management, product design and development, product sourcing and supply chain optimisation.

www.gud.com.au

About Dexion

Dexion manufactures and markets a broad range of storage products. The company's core products include pallet racking, shelving and automated systems used in logistics and warehousing (Industrial Division) and storage and filing solutions including cabinets, shelving and filing systems, lockers and mobile storage used in the commercial office sector (Commercial Division).

It has approximately 750 employees and operations throughout the Asia Pacific region and the Middle East, with manufacturing facilities in Australia, China, Malaysia and New Zealand.



ENDS

Investor Enquiries

Ian Campbell
Managing Director
GUD Holdings Limited
03 9243 3332

Media Enquiries

Felicity Allen
Kreab Gavin Anderson
03 9659 3000
0413 946 701
fallen@kreabgavinanderson.com

Miche Paterson
Kreab Gavin Anderson
03 9659 3000
0400 353 762
mpaterson@kreabgavinanderson.com