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

29 January 2007

Manager, Company Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir

Interim Results

Attached please find Half Year Report Appendix 4D, together with media release and statement of accounts, Directors' Report and Declaration, and Audit Independent Review Report relating to the results for the half year ended 31 December 2006.

Yours faithfully

Malcolm G Tyler
Company Secretary

Att:

Appendix 4D - Half-Year Report

GUD Holdings Limited

(ABN 99 004 400 891)

Half-Year Ended 31 December 2006

(Previous corresponding period: Half-Year ended 31 December 2005)

Results for announcement to the market

Half-Year Ended 31 December 2006

	Percentage Change			$'000
Revenues from ordinary activities	Up	10.17%	to	265,770
Earnings before net interest, tax and restructuring expenses	Down	9.94%	to	29,162
Restructuring expenses	Up	100.00%	to	3,488
Profit (loss) from ordinary activities after tax attributable to members	Down	26.44%	to	14,855
Net profit (loss) for the period attributable to members	Down	26.44%	to	14,855

Dividends

	Amount per security	Percentage franked
Interim dividend:	27 cents	100%
Date the dividend is payable:		9 March 2007
Record date for determining entitlements to the dividend:		23 February 2007
Trading ex dividend:		19 February 2007

Amount of dividend per security

	Amount per security	Percentage franked
Interim Dividend		
In respect of the 2007 financial year as at 31 December 2006	27 cents	100%
In respect of the 2006 financial year as at 31 December 2005	27 cents	100%
Final Dividend		
In respect of the 2006 financial year as at 30 June 2006	33 cents	100%
In respect of the 2005 financial year as at 30 June 2005	27 cents	100%

Net Tangible Assets Per Security	
As at 31 December 2006	$0.52
As at 31 December 2005	$1.06

Brief explanation of the figures reported above:

See commentary attached. The attached financial statements and Directors declaration have been subject to review by GUD'S independent statutory auditors.

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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

	Sales			Trading EBIT			Reported EBIT		
$million	**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 $ million	2003 $ million	2004 $ million	2005 $ million	2006 $ 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

Director's Report

The Directors of GUD Holdings Limited present their report on the consolidated entity comprising GUD Holdings Limited and its subsidiaries for the half-year ended 31 December 2006 and the report thereon.
The Directors report as follows:

Directors

The names of the Directors of the company at any time during or since the end of the half-year are:

Non-Executive Directors

C.K. Hall (Chairman)
P.G. Thomas, AM
G.D.W. Curlewis
R.M Herron

Executive Directors

I.A. Campbell (Managing Director)
R.J. Wodson (Finance Director)

Each of the above named Directors held office at all times during and since the end of the half-year.

Review of Operations

A review of the operations of the consolidated entity during the half-year and the results of these operations are set out in the attached results announcement.

GUD First Half Results

The consolidated net profit for the half-year attributable to the shareholders of GUD Holdings Limited after providing for income tax and restructuring expenses was $14.855 million (2005 $20.194 million).

Segment Results Summary

Segmental results for the half-year ended 31 December 2006 are set out in note 10 to the financial statements.

Dividend

On 29 January 2007, the Board of Directors declared a fully franked dividend of 27 cents per ordinary share. Record date is 23 February 2007 and the dividend will be paid on 9 March 2007.

Auditor's Declaration of Independence

A copy of the auditor's declaration under section 307C of the Corporations Act 2001 in relation to the review for the half-year is attached.

Rounding Off of Amounts

The consolidated entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and in accordance with that Class Order, amounts in the directors' report and the accompanying financial report have been rounded off to the nearest one thousand dollars, unless otherwise stated.

Made in accordance with a resolution of the Directors made pursuant to section 306(3) of the Corporations Act 2001.
On behalf of the Directors

C.K. Hall	**I.A. Campbell**
Chairman of Directors	Managing Director

Signed at Melbourne
29 January 2007

Director's declaration

The directors declare that:

(a) in the directors opinion, the attached financial statements and notes are in accordance with the Corporations Act 2001, giving a true and fair view of the financial position and performance of the Consolidated Entity, and comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and

(b) in the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

C.K. Hall
Chairman of Directors

I.A.Campbell
Managing Director

Signed at Melbourne
29 January 2007

Independent auditor's review report to the members of GUD Holdings Limited

We have reviewed the accompanying half-year financial report of GUD Holdings Limited, which comprises the condensed consolidated balance sheet as at 31 December 2006, and the condensed consolidated interim income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes 1 to 10 and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of GUD Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GUD Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of their performance for the half-year ended on that date; and

(b) complying with Australian Accounting AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

KPMG

Paul Shannon
Partner

Melbourne

29 January 2007

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of GUD Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2006 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul Shannon
Partner

Melbourne

29 January 2007

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

GUD Holdings Limited and subsidiaries	Consolidated	
	Half-Year Ended 31 Dec 06 $'000	Half-Year Ended 31 Dec 05 $'000
Revenue	**265,770**	241,239
Cost of goods sold	**(168,209)**	(149,039)
Gross Profit	**97,561**	92,200
Other income	**455**	592
Marketing and selling expenses	**(30,673)**	(28,121)
Product development and sourcing	**(2,632)**	(2,043)
Logistics expenses and outward freight	**(17,945)**	(14,689)
Administration expenses	**(17,101)**	(15,138)
Finance costs	**(4,577)**	(3,360)
Restructuring expenses - individually significant items		
▪ Restructure of GUD New Zealand Automotive operation	**(3,488)**	-
Other expenses	**(333)**	(315)
Profit before income tax expense	**21,267**	29,126
Income tax expense	**(6,412)**	(8,932)
Net profit attributable to members of GUD Holdings Limited	**14,855**	20,194
Earnings per share:		
Basic earnings per share (cents per share)	**24.79**	33.70
Diluted earnings per share (cents per share)	**24.79**	33.70

Notes to the financial statements are annexed.

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

GUD Holdings Limited and subsidiaries		Consolidated		
	Note	31 Dec 06	30 June 06	31 Dec 05
		$'000	$'000	$'000
Current assets				
Cash and cash equivalents		**15,277**	17,029	25,808
Trade receivables		**90,888**	55,914	85,703
Other financial assets		**40**	1,290	-
Inventories	5	**102,293**	82,880	82,653
Other		**3,771**	3,268	5,719
Total current assets		**212,269**	160,381	199,883
Non-current assets				
Other financial assets		**394**	197	-
Property, plant and equipment	6	**32,407**	29,902	35,993
Deferred tax assets		**1,075**	-	1,317
Goodwill		**44,793**	25,428	34,138
Other intangible assets	7	**59,928**	58,514	49,007
Total non-current assets		**138,597**	114,041	120,455
Total assets		**350,866**	274,422	320,338
Current liabilities				
Trade and other payables		**61,696**	44,940	49,637
Borrowings	8(a)	**39,735**	35,279	55,358
Other financial liabilities		**1,592**	-	-
Current tax payables		**3,646**	1,818	4,275
Provisions	9(a)	**16,604**	13,149	11,863
Total current liabilities		**123,273**	95,186	121,133
Non-current liabilities				
Borrowings	8(b)	**89,309**	35,813	58,201
Deferred tax liabilities		**-**	319	-
Provisions	9(b)	**2,161**	1,665	2,806
Total non-current liabilities		**91,470**	37,797	61,007
Total liabilities		**214,743**	132,983	182,140
Net assets		**136,123**	141,439	138,198
Equity				
Issued capital		**98,437**	98,437	98,437
Reserves		**(926)**	(527)	57
Retained earnings		**38,612**	43,529	39,704
Total equity		**136,123**	141,439	138,198

Notes to the financial statements are annexed.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

GUD Holdings Limited and subsidiaries	Consolidated	
	Half-Year Ended	Half-Year Ended
	31 Dec 06	31 Dec 05
	$'000	$'000
Retained Earnings		
Retained earnings at the beginning of the period	**43,529**	35,838
Impact of adoption of AASB139 Financial Instruments: Recognition and Measurement	**-**	(151)
Net profit attributable to members of the parent entity	**14,855**	20,194
Dividends	**(19,772)**	(16,177)
Retained earnings at the end of the period	**38,612**	39,704
Reserves		
Foreign Currency Translation Reserve:		
Balance at the beginning of the period	**(527)**	2
Exchange differences on translating foreign operations	**202**	55
Balance at the end of the period	**(325)**	57
Cash Flow Hedge Reserve:		
Balance at the beginning of the period	**-**	-
Effective portion of fair value cash flow hedges	**(601)**	-
Balance at the end of the period	**(601)**	-
Reserves at the end of the period	**(926)**	57
Share Capital		
Share capital at the beginning of the period - 59,916,164 (1 July 2005 - 59,916,164) fully paid shares	**98,437**	98,437
Share capital at the end of the period - 59,916,164 (31 Dec 2005 59,916,164) fully paid shares	**98,437**	98,437
Net profit attributable to members of the parent entity	**14,855**	20,194
Exchange differences on translating foreign operations	**202**	55
Effective portion of fair value cash flow hedges	**(601)**	-
Total Income And Expense For Period	**14,456**	20,249

Notes to the financial statements are annexed.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

GUD Holdings Limited and subsidiaries	Consolidated	
	Half-Year Ended 31 Dec 06 $'000	Half-Year Ended 31 Dec 05 $'000
Cash flows from operating activities		
Receipts from customers	**260,711**	230,053
Payments to suppliers and employees	**(253,469)**	(211,213)
Interest received	**170**	107
Interest and other costs of finance paid	**(4,577)**	(3,360)
Income tax paid	**(5,978)**	(8,635)
Net cash provided by/(used in) operating activities	**(3,143)**	6,952
Cash flows from investing activities		
Payments for property, plant and equipment	**(3,890)**	(3,065)
Proceeds from sale of property, plant and equipment	**55**	179
Payment for businesses net of cash acquired	**(29,495)**	(34,985)
Payments for intangible assets and development costs	**(3,334)**	(2,745)
Net cash used in investing activities	**(36,664)**	(40,616)
Cash flows from financing activities		
Proceeds of borrowings	**57,727**	51,638
Dividends paid	**(19,772)**	(16,177)
Net cash provided by financing activities	**37,955**	35,461
Net increase/(decrease) in cash and cash equivalents	**(1,852)**	1,797
Cash and cash equivalents at the beginning of the period	**17,029**	19,910
Effects of exchange rate changes on the balance of cash held in foreign currencies	**100**	79
Cash and cash equivalents at the end of the half-year	**15,277**	21,786

Reconciliation of cash and cash equivalents at the end of the half-year		
Cash at bank and on hand	**15,277**	25,808
Unsecured bank overdraft	**-**	(4,022)
	15,277	21,786

Notes to the financial statements are annexed.

Notes to the Financial Statements for the Half-Year Ended 31 December 2006

Reporting Entity

GUD Holdings Limited (the "Company") is a company domiciled in Australia. The consolidated half-year financial report of the Company as at and for the six months ended 31 December 2006 comprises the Company and its subsidiaries (together referred to as the "Consolidated Entity").

Statement of compliance

The consolidated half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

This consolidated half-year financial report was approved by the Board of Directors on 29 January 2007.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

1. Significant Accounting Policies

The accounting policies applied in preparing the financial statements for the half-year ended 31 December 2006 are consistent with those applied in preparing the comparative information presented in these financial statements and are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ende 30 June 2006.

2. Subsequent Events

Interim dividends declared

On 29 January 2007, the Board of Directors declared a fully franked dividend of 27 cents per ordinary share. Record date is 23 February 2007 and the dividend will be paid on 9 March 2007.

3. Dividends

	Half-year ended 31-Dec-06			Half-year ended 31-Dec-05		
	Cents per share	**Total $'000**	**Date paid / payable**	**Cents per share**	**Total $'000**	**Date paid / payable**
Recognised amounts						
Fully paid ordinary shares						
Final Dividend	33 cents	19,772	8 September 2006	27 cents	16,177	9 September 2005
Unrecognised amounts						
Fully paid ordinary shares						
Interim Dividend	27 cents	16,177	9 March 2007	27 cents	16,177	10 March 2006

4. Acquisition of businesses

2007 Financial Year

Since 30 June 2006, the consolidated entity acquired the business of Monarch Pool Systems, a business that operates in the Water products segment and sells a range of pool products to swimming pool builders and pool shops. The acquisition was for cash consideration of $29.50 million, and GUD took control on 3 July 2006.

The fair value of the net assets acquired and the intangibles arising on acquisition have been provisionally determined. As at the date of this report the directors have not finalised their assessment of fair value.

	Half-year ended 31-Dec-06
Consideration	**$'000**
Cash	29,495
Fair value of assets aquired	
Inventories	8,687
Property, plant and equipment	2,442
Other assets	81
Trade and other payables	(56)
Borrowings	(225)
Employee benefits	(437)
Net assets acquired	**10,492**
Goodwill on acquisition	19,003
	29,495

For the half-year ended 31 December 2006, the Monarch Pool Systems business contributed revenues of $16.00 million and profit after tax of $1.33 million.

2006 Financial Year

Since 30 June 2005, the Company acquired 100% of the shares in ED Oates Holdings Pty Ltd, a manuafacturer and importer of cleaning products, for cash consideration of $35 million, and took control on 1 July 2005.

The fair value of the net assets acquired and the intangibles arising on acquisition have been provisionally determined. As at the date of this report the directors have not finalised their assessment of fair value.

	Half-year ended 31-Dec-05
Consideration	**$'000**
Cash	34,985
Fair value of assets aquired	
Cash and cash equivalents	3
Trade and other receivables	10,354
Prepayments	120
Inventories	14,855
Property, plant and equipment	9,422
Intangible assets	163
Deferred tax assets	1,085
Trade and other payables	(4,592)
Borrowings	(4,401)
Employee benefits	(2,980)
Deferred tax liabilities	(249)
Net assets acquired	**23,780**
Goodwill on acquisition	11,205
	34,985

For the half-year ended 31 December 2005, the E D Oates business contributed revenues of $30.55 million and profit after tax of $1.53 million.

	Consolidated 31 Dec 06 $'000	30 June 06 $'000
5. Inventories		
Current		
Raw materials and stores at cost	**11,513**	11,075
Raw materials and stores at net realisable value	**3,138**	3,161
	14,651	14,236
Work in progress at cost	**8,884**	7,456
Work in progress at net realisable value	**2,597**	2,589
	11,481	10,045
Finished goods and spare parts at cost	**70,477**	52,502
Finished goods and spare parts at net realisable value	**5,684**	6,097
	76,161	58,599
Total inventories	**102,293**	82,880
6. Property, plant and equipment		
Non-current		
Plant and equipment at cost	**70,379**	63,479
Accumulated depreciation	**(42,671)**	(39,070)
Net plant and equipment	**27,708**	24,409
Leased plant and equipment		
At capitalised cost	**7,470**	7,985
Accumulated amortisation	**(2,771)**	(2,492)
Net leased plant and equipment	**4,699**	5,493
Total net book value of property, plant and equipment	**32,407**	29,902

	Consolidated 31 Dec 06 $'000	30 June 06 $'000
7. Other intangible assets		
Non-current		
Patents, licences and distribution rights at cost	**4,082**	3,877
Accumulated amortisation	**(3,204)**	(2,885)
	878	992
Product development costs	**22,144**	18,810
Accumulated amortisation	**(11,116)**	(8,932)
	11,028	9,878
Brand names, business names and trademarks at cost	**48,022**	47,644
Total other intangible assets	**59,928**	58,514
8. Borrowings		
(a) Current		
Unsecured bank loan	**37,956**	33,510
Secured finance lease liabilities	**1,779**	1,769
	39,735	35,279
(b) Non-Current		
Unsecured bank loan	**86,762**	32,554
Secured finance lease liabilities	**2,547**	3,259
	89,309	35,813
9. Provisions		
(a) Current		
Employee benefits	**10,883**	10,409
Relocation, restructuring and environmental remediation	**2,546**	95
Warranty	**3,175**	2,645
	16,604	13,149

The provision for warranty claims represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required under the consolidated entity's warranty program. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

The provision for restructuring represents the present value of the Directors' best estimate of the costs required to relocate and restructure the various entities within the group.

(b) Non-current		
Employee benefits	**2,161**	1,665

10. Segment information

For the half-year ended 31 December 2006

Primary reporting	Consumer Products	Automotive Products	Water Products	Security Products	Unallocated	Total
Business segments	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue (external)	**147,789**	**34,411**	**76,527**	**6,916**	**127**	**265,770**
Segment result before amortisation & depreciation	**15,502**	**4,838**	**12,099**	**1,654**	**(2,024)**	**32,069**
Less: Depreciation	(1,969)	(285)	(1,173)	(450)	(15)	(3,892)
Less: Amortisation of intangibles	(2,232)	-	(271)	-	-	(2,503)
Segment result after amortisation & depreciation	**11,301**	**4,553**	**10,655**	**1,204**	**(2,039)**	**25,674**
Less: Finance costs						**(4,577)**
Add : Interest revenue						**170**
Profit before income tax expense						**21,267**
Income tax expense						**(6,412)**
Profit for the period						**14,855**
Loss from individually significant items before tax included in segment result	**-**	**(3,488)**	**-**	**-**	**-**	**(3,488)**
Segment assets	193,756	35,183	111,910	15,188	(5,171)	**350,866**
Segment liabilities	70,516	11,153	28,432	2,971	101,671	**214,743**
Segment acquisition of assets	5,342	386	22,702	207	34	**28,671**

10. Segment information (continued)

For the half-year ended 31 December 2005

Primary reporting	Consumer Products	Automotive Products	Water Products	Security Products	Unallocated	Total
Business segments	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue (external)	**148,730**	**35,958**	**49,661**	**6,807**	**83**	**241,239**
Segment result before amortisation & depreciation	**21,383**	**9,607**	**8,195**	**1,525**	**(2,638)**	**38,072**
Less: Depreciation	(2,067)	(205)	(883)	(346)	(5)	(3,506)
Less: Amortisation of intangibles	(1,990)	-	(197)	-		(2,187)
Segment result after amortisation & depreciation	**17,326**	**9,402**	**7,115**	**1,179**	**(2,643)**	**32,379**
Less: Finance costs						**(3,360)**
Add : Interest revenue						107
Profit before income tax expense						**29,126**
Income tax expense						**(8,932)**
Profit for the period						**20,194**
Segment assets	194,620	39,674	70,440	15,612	(8)	**320,338**
Segment liabilities	70,071	9,958	19,440	3,248	79,423	**182,140**
Segment acquisition of assets	26,689	257	1,226	617	7	**28,796**

(a) Inter-segment pricing is on a commercial basis.

(b) Segment result excludes finance costs, interest revenue and income tax expense.

Business segments

Consumer Products (Sunbeam, Victa, Oates)

Small electrical appliances, lawn-mowers and cleaning products.

Automotive Products (Ryco,Wesfil, Goss)

Automotive and heavy duty filters for cars, trucks, agricultural and mining equipment and fuel pumps and associated products for the automotive after market.

Water Products (Davey, Spa-Quip, Contamination Control, Monarch)

Pumps and pressure systems for household and farm water, water transfer pumps, swimming pool pumps and filters, spa bath controllers and pumps and water purification equipment.

Security Products (Lock Focus)

Disc tumbler locks for metal and wooden furniture, security doors, roller shutter doors and hotel and domestic safe locking systems.