

Results for year ended 30 June 2008

GUD HOLDINGS LIMITED



Result key points

- > Sales increased 3% to \$535 million from \$518.7 million
- > Reported net profit up 11% to \$37.4 million
 - includes business restructuring costs at Oates and gain on sale of Victa
- > Trading EBIT up 14% to a record \$68.9 million from \$60.2 million
- > All businesses posted double digit EBIT growth except Water Products, down 29%
- > Cash value added return increased to 16.5% from 14.8%
- > Victa business sold 30 June 2008 for \$26.9 million
- > Strong cash flow and balance sheet funded buy back of 3.4% of shares
- > Trading EPS increased 20% to 72.5 cents
- > Annual dividend up 7 cents to 68 cents fully franked

Financial summary

\$ million	FY07	FY08	% change	
Sales	518.7	534.9	3%	
EBITDA	73.1	81.5	12%	EBITDA/sales margin increased to 15.2% from 14.1%
Depreciation	7.9	7.3	-8%	
EBITA	65.2	74.3	14%	EBIT/Sales margin increased to 12.9% from 11.6%
Amortisation	5.0	5.4	8%	
EBIT	60.2	68.9	14%	Excluding Victa, EBIT from continuing businesses increased 3% to \$63.5 m from \$61.4 m
Interest	9.0	9.5	6%	
Trading Profit Before Tax	51.3	59.4	16%	
Tax	15.2	17.5	15%	
Trading PAT	36.1	41.9	16%	
Restructuring/Gain on Sale - After Tax	(2.4)	(4.5)		Includes Oates restructuring cost of \$5.9 million after tax and profit on Victa sale of \$1.4 million after tax
Reported Profit	33.6	37.4	11%	
Trading EPS - cents	60.2	72.5	20%	
Reported EPS - cents	56.2	64.6	15%	
Dividend per share - cents	61	68	11%	

Cash value added return

	FY05	FY06	FY07	FY08
Consumer	17.8%	15.2%	13.2%	17.1%
Automotive	26.9%	31.4%	31.6%	45.0%
Water	15.2%	15.6%	14.5%	11.2%
Security	9.9%	10.9%	11.9%	12.1%
Group	18.1%	17.1%	14.8%	16.5%

Note: Excluding individually significant items

- > CVA remains the primary management objective
- > CVA ensures appropriate focus on both profitability and balance sheet efficiency
 - strong culture of active working capital management
 - cash flow maximised

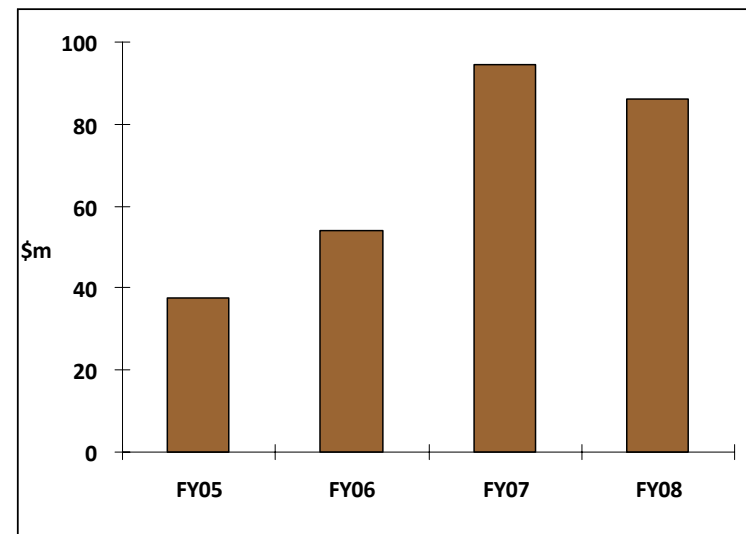
Victa sale

- > Sold on 30 June 2008 for \$26.9 million
- > FY08 EBIT \$5.4 million versus loss last year
 - contribution seasonal
 - December half EBIT \$4.6 million and June half EBIT \$0.8 million
 - FY08 EBIT greater than aggregate EBIT over previous 4 years
- > Exceptional performance in FY08 from:
 - favourable growing conditions in New South Wales and Queensland
 - new product launches – Victa trimmers and Victa branded 4 stroke engine
 - better retailer programs leading to improved shelf presence
- > Sale decision driven by:
 - challenging industry outlook – smaller lawns, prolonged water restrictions, increasing power of major retailers, market devalued by low cost, poor quality imported product
 - Victa's volatile earnings record
 - no certainty on future earnings trend
 - Briggs & Stratton better positioned to maximise value from this type of business

Balance sheet & cash flow

- > Operating cash flow increased 46% to \$58.2 million
- > Net debt declined 9% to \$86.2 million
 - includes \$19.0 million of Victa sale proceeds and \$17.7 million share buy back consideration
- > Strong liquidity
 - \$33.1 million cash, \$0.5 million current borrowings, \$118.8 million non-current borrowings
- > Bank and bill facilities renewed
 - \$80 million seasonal facility to June 2010
 - \$100 million core facility to June 2012
 - \$86 million in facilities not utilised at 30 June 2008
- > Interest cover improved to 7.9 times from 7.3 times
- > Well positioned to invest in growth and acquisitions

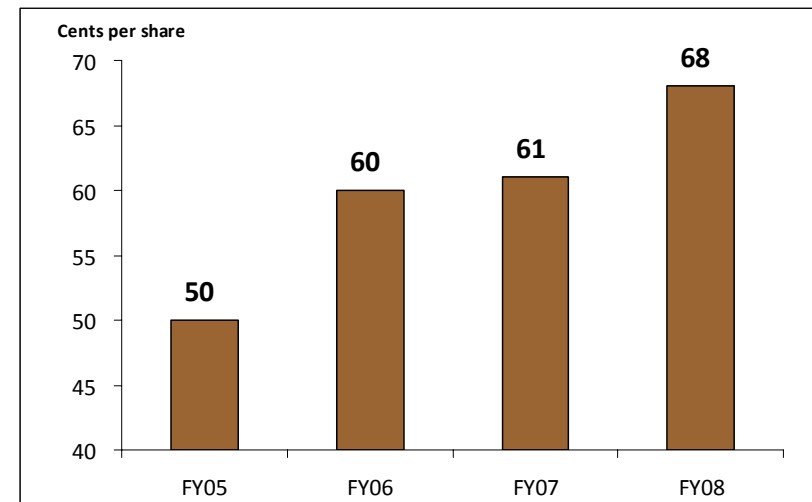
Net Debt FY05-FY08



Shareholder returns

- > Share price down 18% to \$7.57 at 30 June
- > Total shareholder return of -10% for FY08
- > Activated share buyback
 - purchased 2.1 million shares, or 3.4% of issued capital
 - buy back is EPS accretive
 - 57.9 million shares on issue at year end
- > Final dividend up 4 cents to 38 cents
- > Annual dividend up 7 cents to 68 cents fully franked
- > GUD yielding 8.5% at \$8.00 per share
- > Strong franking credit surplus even after final FY08 dividend payment

Annual Dividend FY05-FY08



Consumer Products

\$ million	FY07	FY08	% change
Sales	287.5	312.5	9%
EBITDA	34.1	46.7	37%
Depreciation	4.1	3.6	-11%
EBITA	30.0	43.1	44%
Amortisation	4.4	4.8	10%
EBIT	25.6	38.3	49%
EBIT/Sales Margin	9%	12%	

- > Record Trading EBIT result boosted by Victa
- > Strong growth contribution from all businesses
- > Oates generating benefits from manufacturing closure
- > Cost pressures in each business partially offset by stronger A\$



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Consumer Products – continuing business

\$ million	FY07	FY08	% change
Sales	240.1	246.6	3%
EBITDA	33.6	39.4	17%
Depreciation	2.6	2.0	-24%
EBITA	30.9	37.4	21%
Amortisation	4.1	4.5	9%
EBIT	26.8	32.9	23%
EBIT/Sales Margin	11%	13%	

- > Oates profit recovery from:
 - cessation of loss making Bissell distributorship
 - closure of Perth and Melbourne manufacturing and shift to outsourcing
 - new business gained in industrial and retail accounts
- > Double digit EBIT growth in Sunbeam:
 - market share growth in Australia and New Zealand
 - strong heating products season
 - A\$ strength partially offset cost pressures from Chinese labour and raw material cost increases, withdrawal of China export rebates, appreciating Yuan and increased shipping costs



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Consumer Products outlook

> FY09 to be impacted by Victa sale

- \$5.4 million contribution in FY08
- 14% of \$38.3 million FY08 Consumer EBIT
- \$4.6 million first half year contribution
- 22% of \$20.9 million first half

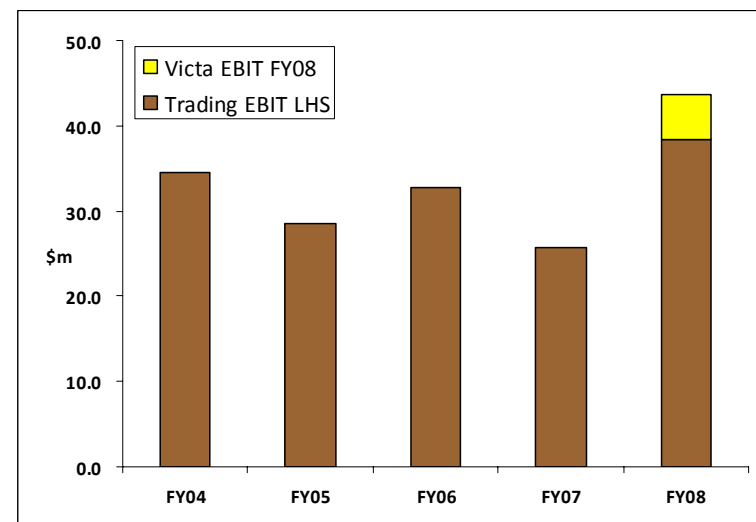
> Oates:

- full year benefit from change to outsourcing
- management revitalised
- renewed focus on new product development
- relaunching Oates brand

> Sunbeam:

- obvious challenges from competitive environment, higher interest rates and low consumer confidence
- input cost pressures to continue
- major focus on internal cost reduction
- continued activity behind new products to drive sales and margins

Trading EBIT FY04-FY08



Water Products

\$ million	FY07	FY08	% change
Sales	148.8	137.4	-8%
EBITDA	22.1	16.4	-26%
Depreciation	2.4	2.4	0%
EBITA	19.7	14.1	-29%
Amortisation	0.6	0.6	-2%
EBIT	19.1	13.5	-29%
EBIT/Sales Margin	13%	10%	

- > EBIT down following strong growth period and record result in FY07
- > Traditional Davey business ahead of last year despite low bushfire activity
 - lower sales of Firefighter pumps
- > Continuing to benefit from new products
 - over 50,000 RainBank units sold since launch



Water Products

EBIT performance impacted by:

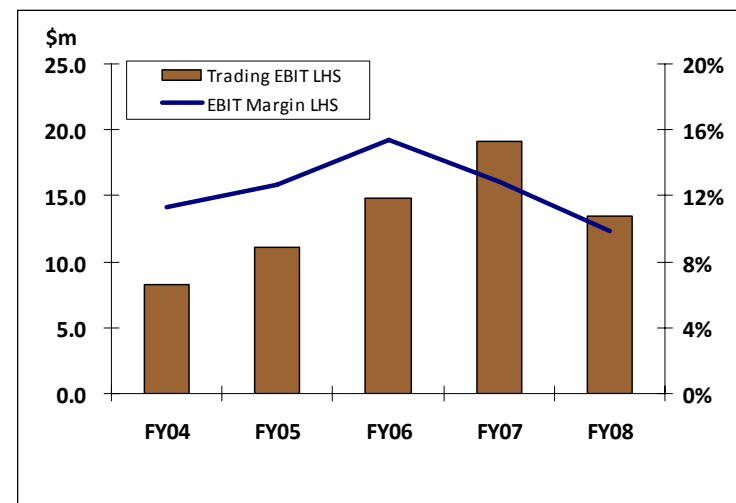
- > Decline in export sales and margin to largest customer in pool business due to weakening of US\$
- > Underperformance in Pool business:
 - demand reduced due to 17% decline in new pool starts in Australia
 - labour turnover and shortage issues in Western Australia
 - business required more structural change to obtain operational efficiencies
- > Demand reduced in spa business due to prolonged water restrictions and changing consumer preferences



Water Products outlook

- > Water recovery plan for FY09 well advanced
- > Improved returns expected from:
 - closure of Western Australian manufacturing and consolidated to one site
 - outsourcing balance of pool product range
 - merging sales and service for pool and spa segments
 - changing route to market in the US with more cost effective structure
 - centralisation of research and development
 - single management structure and single branding proposition
- > Sector's growth profile remains attractive

Trading EBIT & Margin FY04-FY08



Automotive Products

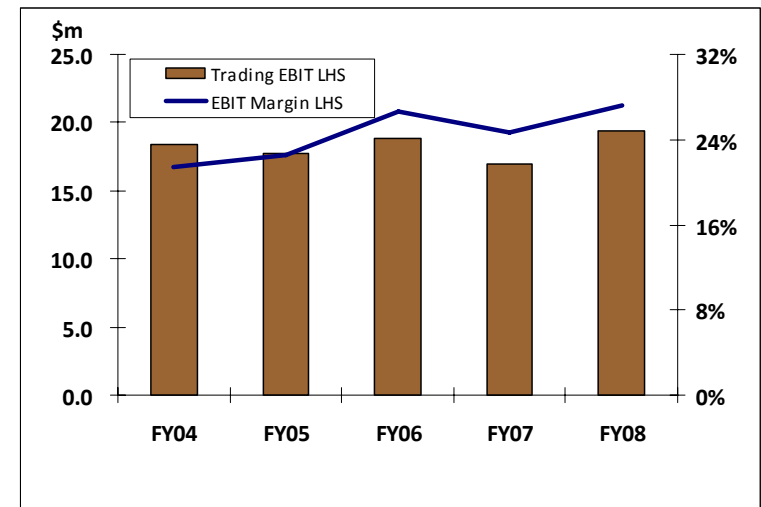
\$ million	FY07	FY08	% change
Sales	68.6	71.5	4%
EBITDA	17.4	19.9	14%
Depreciation	0.5	0.4	-5%
EBITA	16.9	19.4	15%
Amortisation	0.0	0.0	
EBIT	16.9	19.4	15%
EBIT/Sales Margin	25%	27%	

- > Record EBIT result and equal record EBIT margin
- > Ryco and Wesfil both benefited from closure of National Parts
- > Ryco pre-empted this by early adoption of alternative routes to market
- > New Zealand result boosted by better margins from prior year outsourcing initiative
- > Cost pressures emerging due to steel price increases

Automotive Products outlook

- > Business transformation completed
- > Supply base continually being assessed for best cost/quality options
- > Shift in focus from rationalisation to brand share growth
 - Ryco secured Australian Supercheap supply commencing FY09
 - entering new market segments
- > Demand growth subdued due to impact of higher petrol prices

Trading EBIT & Margin FY04-FY08



Security Products

\$ million	FY07	FY08	% change
Sales	13.8	13.6	-2%
EBITDA	3.2	3.2	3%
Depreciation	0.9	0.8	-16%
EBITA	2.3	2.5	10%
Amortisation	0.0	0.0	
EBIT	2.3	2.5	10%
EBIT/Sales Margin	16%	18%	

- > EBIT improved despite slight sales decline
- > Market for traditional products declining as customers relocate offshore
 - sales replaced by new product types
- > Further investment in automation to drive lower costs
- > Cost pressures from brass and zinc continued



Outlook

- > Business strongly positioned in competitive and less certain macro environment
- > Market leading brands will sustain solid returns from continuing businesses
- > Victa sale will impact first half year profit comparisons
- > On-going focus on new products, lower costs and tight working capital management
- > Strength of A\$ will help to offset increasing input costs
- > Improved profit outlook for Water Products business
- > The objective for FY09 trading EBIT is to be around FY08 continuing business level of \$63.5 million
- > FY09 Trading EPS outcome will benefit from the FY08 share buyback activity
- > Balance sheet position and franking credit surplus underpin strong dividend payments