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27 January 2016

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

Dear Sir

**Half Year Ended 31 December, 2015
Results Briefing and Webcast**

Attached is a copy of the Half Year ended 31 December, 2015 Results Briefing to analysts and brokers, to be presented by Jonathan Ling, Managing Director, GUD Holdings Limited.

On Wednesday 27 January, 2016 at 11.00am, GUD will be hosting a webcast of its HY16 results briefing, for the period ended 31 December 2015. To register and view the webcast, please go to www.gud.com.au/webcasts or click [here](#).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm G Tyler', written over a horizontal line.

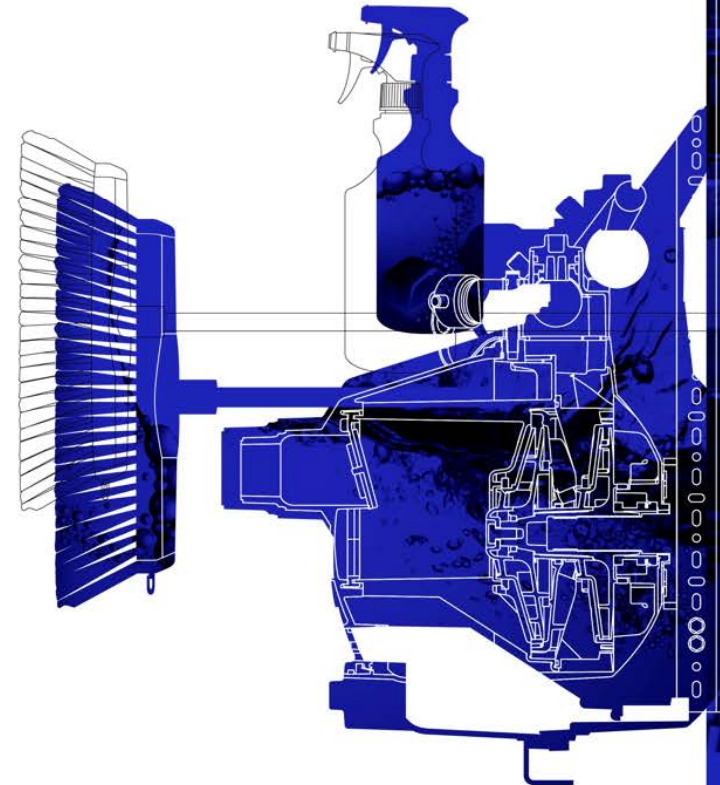
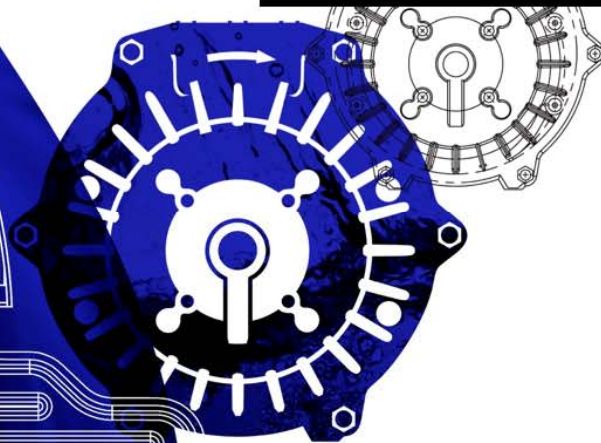
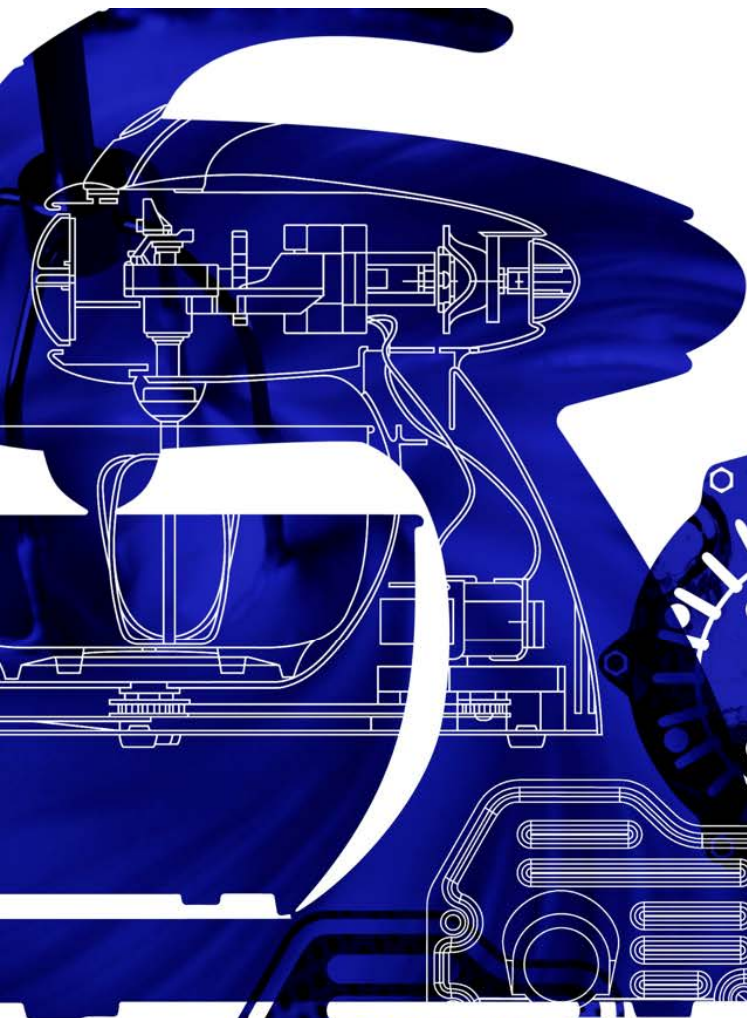
Malcolm G Tyler
Company Secretary

Att:

GUD half year results

Six months ended 31 December 2015

Jonathan Ling
Managing Director



Result key points

- Reported NPAT of \$1.7 million down from \$17.3 million previously
 - Includes \$18.5 million after tax of impairment costs, predominantly goodwill in Dexion
- Underlying EBIT up 33% to \$37.2 million from \$27.9 million in pcp
 - Automotive EBIT contribution was \$32.6 million, including the first contribution from Brown & Watson (BWI) and organic growth from Ryco and Wesfil
- Operating cash flow of \$19.1 million, up from \$3.7 million due to stronger collections
- Interim dividend 20 cents per share fully franked
 - Same level of interim dividend as last year



Financial summary

\$ million	H1 FY15	H1 FY16	% Change	
Revenue	297.1	355.9	20%	BWI contribution of \$58.2 million
Underlying EBITDA	34.1	43.3	27%	
Depreciation	(3.3)	(3.8)		
Amortisation	(2.9)	(2.2)		
Underlying EBIT	27.9	37.2	33%	Growth in Automotive, Davey and Oates
Net Finance Expense	(3.6)	(6.2)		
Underlying Profit before Tax	24.4	31.1		
Tax	(6.7)	(9.2)		
Share of loss of equity accounted investees	0.0	(2.3)		GUD's share of Jarden Asia for six months
Underlying NPAT	17.6	19.6	11%	
Non-controlling Interest	(0.3)	0.6		
Underlying NPAT attributable to members	17.3	20.2	17%	\$15m goodwill and \$3.5m inventory impairment
Impairment Costs after Tax	0.0	(18.5)		
Reported NPAT	17.3	1.7	-90%	
EPS & Dividend - cents				
Underlying EPS	24.4	23.7	-3%	
Reported EPS	24.4	2.0	-92%	
Interim Dividend	20.0	20.0	0%	

Cash generation and financial position

- Operating cash flow to underlying NPAT ratio improved to 98% from 21% previously
- Net debt to equity at 56% in line with guidance following BWI acquisition
- Net debt position at 31 December was \$191 million
 - Includes further payment from Jarden of \$16.2 million for share of Sunbeam
- Interest cover remains solid at 6.4 times underlying EBITA / Net Interest
- Interim dividend maintained at 20 cents per share fully franked payable 4th March 2016

Business contribution to results

	Share of Revenue		Share of Operational EBIT*	
	H1FY15	H1 FY16	H1 FY15	H1 FY16
Automotive	17%	32%	51%	79%
Davey	18%	16%	16%	16%
Oates	12%	10%	18%	14%
Lock Focus	2%	2%	1%	1%
Sunbeam	19%	16%	8%	-4%
Dexion	32%	24%	6%	-6%

* Operational EBIT is underlying EBIT before unallocated costs

- 32% of revenue and 79% of Operational EBIT from the Automotive business
- Davey, Oates and Lock Focus EBIT contributions broadly in line with revenues
- Sunbeam and Dexion continue to under-contribute; improved H2 expected

Automotive

\$ million	H1 FY15	H1 FY16	% Change
Sales	50.8	113.2	123%
EBITDA	16.4	33.2	102%
Depreciation	(0.3)	(0.6)	
Amortisation	0.0	0.0	
EBIT	16.2	32.6	102%
<i>EBIT/Sales %</i>	<i>32%</i>	<i>29%</i>	



- BWI contributed \$58.2 m of sales and \$15.4 m of EBIT, ahead of expectations
- BWI integration into GUD proceeding to plan
- Ryco and Wesfil businesses improved sales 8% and EBIT 7% over pcg
- Continued solid performance across all dimensions

Davey

\$ million	H1 FY15	H1 FY16	% Change
Sales	52.5	55.9	7%
Underlying EBITDA	5.7	7.2	28%
Depreciation	(0.7)	(0.6)	
Amortisation	(0.0)	(0.0)	
Underlying EBIT	4.9	6.6	34%
<i>EBIT/Sales %</i>	9%	12%	



- Sales growth across all market areas, notably Australia and Europe
- Solid profit increase as a result of:
 - Sales growth
 - Internal cost efficiencies, particularly freight
 - Further contribution from sales force effectiveness program
 - Pool business returning to profitability
- EBIT of \$5.6 m includes inventory write down of \$1 m pre-tax following product range rationalisation program

Oates

\$ million	H1 FY15	H1 FY16	% Change
Sales	35.3	37.3	6%
EBITDA	5.9	6.2	5%
Depreciation	(0.3)	(0.4)	
Amortisation	(0.0)	(0.0)	
EBIT	5.6	5.8	4%
<i>EBIT/Sales %</i>	16%	16%	



- Sales growth across all domestic market segments
- Higher product costs due to currency not fully recovered through price rises
- Market conditions remain stable

Lock Focus

\$ million	H1 FY15	H1 FY16	% Change
Sales	5.5	5.4	-1%
EBITDA	0.7	0.6	-15%
Depreciation	(0.3)	(0.3)	
Amortisation	0.0	0.0	
EBIT	0.5	0.3	-24%
<i>EBIT/Sales %</i>	8%	6%	



- Sales of customer-specific new products affected by delays in market introduction timings
 - Some contribution to be evident in H2

Sunbeam joint venture – ANZ

\$ million	H1 FY15	H1 FY16	% Change
Sales	56.8	57.6	1%
Underlying EBITDA	5.4	0.6	-89%
Depreciation	(1.2)	(0.9)	
Amortisation	(1.8)	(1.4)	
Underlying EBIT	2.5	(1.7)	-168%
<i>EBIT/Sales %</i>	<i>4%</i>	<i>-3%</i>	

Results represent 100% of ANZ business and exclude the Asian JV

- Sales growth due to increased volume
- Underlying EBIT result affected by currency-related gross profit reduction
- Overhead costs declined by \$1 m compared to pcg due to previous restructuring actions
- Significant new product releases prior to Christmas, will contribute to improved performance in H2



Dexion

\$ million	H1 FY15	H1 FY16	% Change
Sales	96.3	86.5	-10%
Underlying EBITDA	3.7	-0.7	-118%
Depreciation	(0.6)	(1.0)	
Amortisation	(1.0)	(0.8)	
Underlying EBIT	2.0	(2.5)	-221%
<i>EBIT/Sales %</i>	2%	-3%	



- Sales performance affected by low demand in Australian commercial and racking products markets and no major Australian racking project
- Strong racking project activity in New Zealand, Asia and Middle East
- Low throughput in Malaysian factory, due to demand conditions and stock position, generated unrecovered fixed overhead of \$2 million
- Goodwill write down taken reflecting Australian trading performance and inventory write down recognising commercial business stock position
- New Chief Executive commenced October 2015

Outlook – Sunbeam and Dexion

■ Sunbeam H2 outlook:

- Sales and margin improvements from average 8% price increase effective 1st February
- Volumes to improve due to regained BigW electric blanket business, Woolworths supermarkets ranging and full half contribution from pre-Christmas product launches
- Further overhead cost reductions from H1 restructure and lower marketing spend relative to H1

■ Dexion H2 outlook:

- Improved sales due to stronger Australian order bank and progress on current major projects
- Factory volume to improve with no unrecovered fixed overhead costs in H2
- Identified overhead cost reductions and procurement costs savings to contribute
- Relocation of Sydney warehouse and office in Q3

Outlook

- Automotive to maintain strong trading with trends similar to H1
- BWI expected to produce full year in excess of \$27.9 million EBIT
 - ahead of acquisition expectations
- Davey to continue momentum of H1
- Oates to perform consistently with H1
- Some recovery anticipated in Lock Focus
- Sunbeam ANZ joint venture and Dexion to trade similar to H2 FY15
- Expecting full year underlying EBIT in the range of \$82m to \$88m

GUD half year results

Six months ended 31st December 2015

