



GWA International Limited

ABN 15 055 964 380

19 February 2008

ASX On-Line

Manager Company Announcements
Australian Securities Exchange

Dear Sirs

GWA International Limited

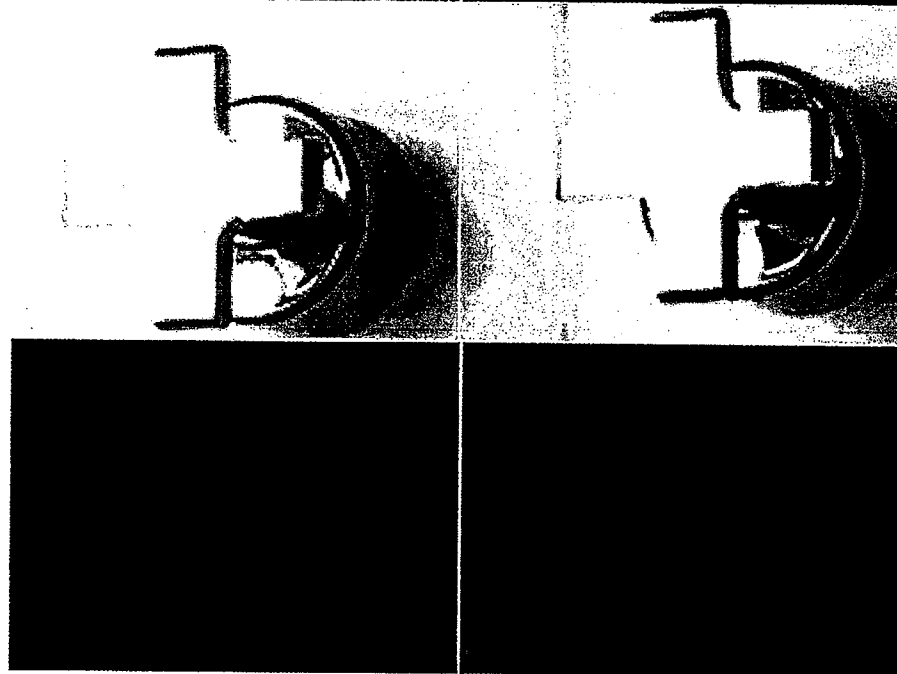
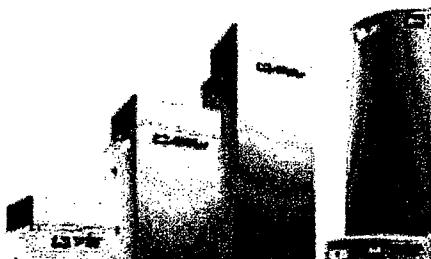
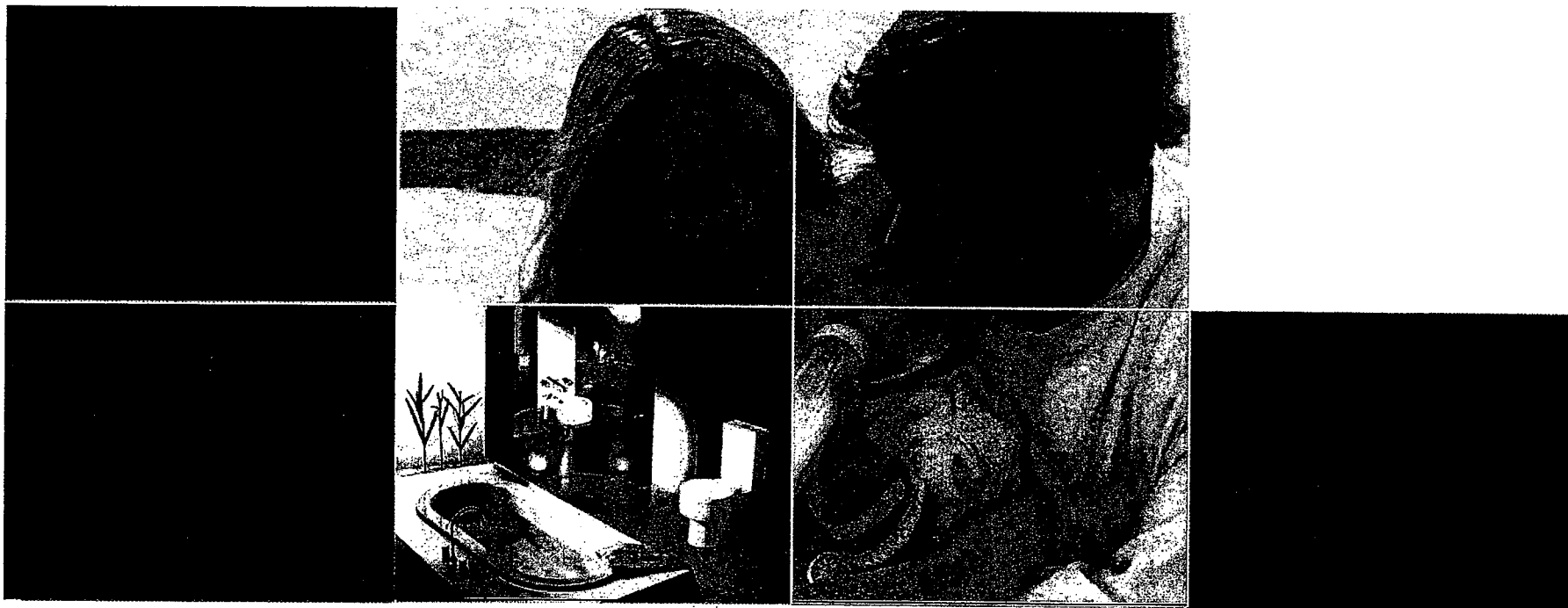
Results Presentation for the Half Year Ended 31 December 2007

We enclose the following document for immediate release to the market:

- Half Year Results Presentation

Yours faithfully

R J Thornton
Company Secretary



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Half Year Presentation
19 February 2008

Presented by:

Peter Crowley

Title:

Managing Director



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Result Highlights - Half Year to 31 December 2007

- Trading performance maintained during transition to restructured business model
- After tax result impacted by higher funding cost and a one off lower tax expense last year
- Further restructure undertaken in first half with significant charge for Clark restructure including environment obligations
- Restructure benefits will be stronger in second half
- Improved working capital management



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Results – Half Year to 31 December 2007

	Half Year	Half Year	
\$000's	<u>31.12.07</u>	<u>31.12.06</u>	Change
Sales Revenue	341,940	323,649	+5.7%
Margin	46.1%	48.0%	
Trading EBIT	50,902	50,377	+1.0%
Trading Profit after Tax	30,665	32,490	-5.6%
Restructuring after Tax	(4,406)	(1,934)	
Net Profit after Tax	26,259	30,556	-14.1%



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Recap on Recent Restructuring

Closure of Penrith tap factory (July 2006)

Closure of Coburg VC plant, upgrade Wetherill Park (July 2006 and 2007)

Closure of Acrylic products plant in Smithfield (October 2006)

Closure of metal frame and timber manufacture at Sebel (December 2006)

Closure of Rover plant at Eagle Farm (April 2007)

Closure of Clark plant at Revesby (December 2007)

Developed strategic sourcing relationships in China, Thailand and Malaysia



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Restructure Benefits/Charges in the Half Year

	\$000's
Sale of Rover Eagle Farm site	6,518
Rover restructuring	(1,100)
Clark Revesby site	
- Closure costs (net of existing provisions)	(3,592)
- Environmental obligations	(5,100)
- Other	<u>(3,491)</u>
Total (Before Tax)	<u>(6,765)</u>



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Results – Half Year to 31 December 2007

Segment Performance – Building Fixtures & Fittings

	\$000's	31.12.07	31.12.06	Change
Sales Revenue		294,760	280,167	+5.2%
Segment Result		44,525	54,015	
Restructuring costs		12,180	2,763	
Trading EBIT		56,705	56,778	0%



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Segment Performance – Building Fixtures & Fittings

Caroma Dorf

Sound sales performance, particularly WISA and USA

Flat trading EBIT despite incurring transition costs

Ramp up of Wetherill Park production slower than anticipated but will accelerate in second half

Gainsborough

Continuing good trading EBIT performance

DUX

Sales recovery from new environmental products

Trading EBIT reflects sales improvement



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Results – Half Year to 31 December 2007

Segment Performance – Furniture

	\$000's	31.12.07	31.12.06	Change
Sales Revenue		29,150	27,965	+4.2%
Trading EBIT		1,940	779	+149%

Higher sales reflects project timing and improved product offering

Profit results reflects higher revenue and restructuring benefits



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Results – Half Year to 31 December 2007

Segment Performance – Mowers

	\$000's	31.12.07	31.12.06	Change
Sales Revenue		18,977	16,699	+13.6%
Segment Result		6,180	1,122	
Net Restructuring Gain		5,415	NIL	
Trading EBIT		765	1,122	-31.8%

Improved market conditions due to better rainfall

Lag in profit improvement due to sale of pre-restructure inventory

Slower than planned ramp up of sourcing from China



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Improved Cash Flow Due to Stronger Working Capital Management

	\$000's	2007	2006
Operating cash flow before interest & tax		61,092	30,112
Net Restructure costs		3,990	8,483
Trading cash flow before interest & tax		65,082	38,595
Working Capital movements		-9,715	+19,763
Capital Expenditure (net)		9,242	9,566



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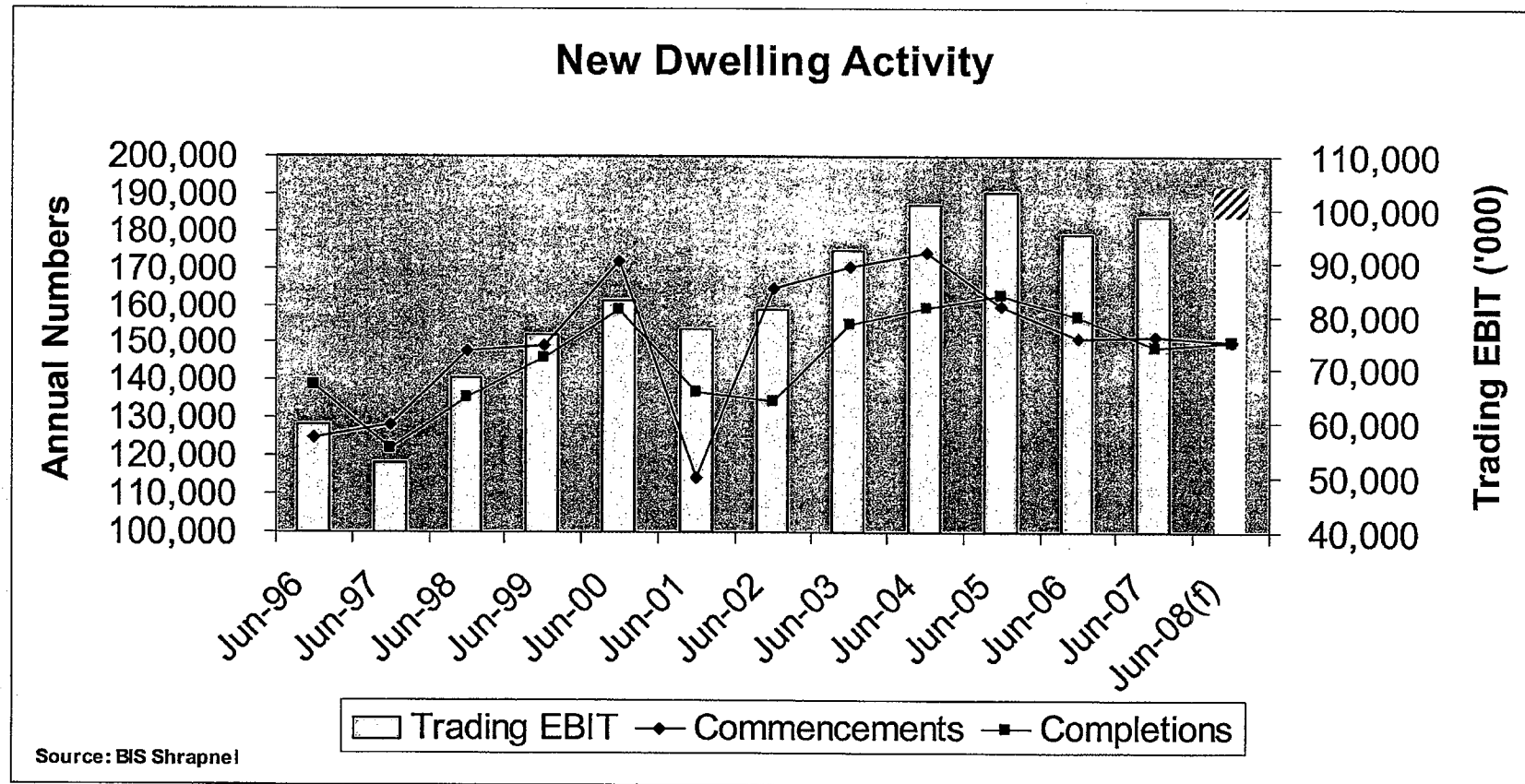
Interim Dividend for the 2007/08 Year

	\$000's	2007	2006
Trading profit after tax for the half year ended 31.12.07		30,665	32,490
Trading earnings per share		11.0 cents	11.7 cents
Interim Dividend			
• Ordinary		10.0 cents	10.0 cents
• Special		<u>1.5 cents</u>	<u>1.5 cents</u>
• Total (fully franked)		<u>11.5 cents</u>	<u>11.5 cents</u>



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Financial Results Maintained Through the Building Cycle





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Sustainability- Starting To Get Traction In Market Place

- Tracking to capture in excess of \$6 million in incremental sales related to sustainability this financial year
- Queensland has been our most successful region with the schools retrofit program contributing over \$1million in sales
- State Government Housing Retrofit Program representing 18,000 toilet suites sales over the next 12 months
- Undertaken over 2,000 consumer toilet retrofits in Victoria in the last twelve months



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Sustainability- Significant Growth Targeted Next Year

- Good long term potential in providing sustainability solutions in both Australia and North America
- Major driver of long term growth are businesses focussing on sustainability and targeting both water and energy savings
- These opportunities are spread across commercial and industrial businesses of all sizes
- Retrofit sales provide an important role in counteracting building cycles, as they are not market dependent



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Sustainability- Delivery Capability Is Key To Success

Solutions management and retrofit program expertise will be a core part of our long term strategy:

- A critical part of our long term strategy for Australia and International is to continue to build expertise in large scale toilet retrofit solutions
- This will potentially open up other markets where water availability is critical



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2007/08 Full Year Outlook

Domestic Market Demand

- Dwelling activity is expected to remain flat
- Product promotions and retrofit sales will maintain overall sales levels

Restructuring

- Benefits of completed restructuring will be realised progressively through the second half
- Further restructuring opportunities may be realised in the second half

Business Performance

- Return on investment at Wetherill Park will flow through in second half
- Further growth in trading profit expected



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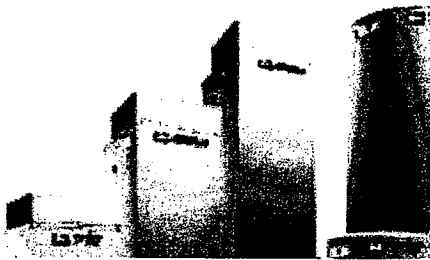
2007/08 Trading EBIT

Business transformation is progressing

Competitive position is strengthening

Market opportunities in sustainability through retrofit campaigns and product development

Expect to exceed the prior year's Trading EBIT of \$98.7 million



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