



GWA
Group Limited

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ASX On-Line

Manager Company Announcements
Australian Securities Exchange

Dear Sir

Trading Update & Strategic Review

GWA Group Limited, Australia's leading supplier of fixtures and fittings to households and commercial premises, today provides a trading update based on unaudited financial accounts for the year ended 30 June 2014.

Revenue for 2013/14 finished up 2% on the corresponding period last year, with expected trading earnings before interest and tax (EBIT) of \$72.3 million, up 8% on the prior year.

Revenue growth in the traditional Bathrooms & Kitchens business, Gainsborough and Bravis, was offset by declines in the Dux Hot Water and the Gliderol Garage Door businesses.

The Company has maintained its strong financial metrics with net debt declining by \$17 million to \$145 million at 30 June 2014.

Trading profit after tax of \$43.8 million was up 11% on the prior period. Net profit after tax of \$18.6 million was impacted by the Gliderol impairment charge of \$17 million as announced in December 2013, restructuring costs and one off significant items.

Subject to the finalisation of the audited financial accounts, the Board expects to declare a final fully franked dividend for 2013/14 in the order of 5 cents per share. The final amount of the dividend will be determined and announced with the full year profit result on 19 August 2014.

Recently the Group completed a strategic review and based on that review the decision has been made to focus the Company on the target market segments of our Bathrooms & Kitchens and Door & Access Systems businesses where we have identified opportunities for future growth and improved shareholder returns. The operations and organisation structure is being aligned to accord with the new strategy.

The Dux Hot Water and Brivis Heating & Cooling businesses have been determined to be non-core and will be divested.

Subject to the sale of these businesses, the Board will review options to return a portion of the capital raised from the divestments to shareholders.

Further details of the trading results will be released at the full year profit announcement on 19 August 2014.

For further information call:

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