GUD Holdings Limited
A.B.N. 99 004 400 891

29 Taras Avenue,
Altona North, Vic 3025
Australia.

PO Box 62
Sunshine, Vic 3020
Australia.

Telephone: +61 3 9243 3311
Facsimile: +61 3 9243 3300
Email: gudhold@gud.com.au
Internet: www.gud.com.au

25 July, 2014

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

Dear Sir

Full Year Ended 30 June, 2014
Results Briefing

Attached is a copy of the Full Year ended 30 June, 2014 Results Briefing to analysts and brokers, presented by Jonathan Ling, Managing Director, GUD Holdings Limited.

Yours faithfully

Malcolm G Tyler
Company Secretary

Att:

FY14 results

Year ended 30 June **2014**

Jonathan Ling
Managing Director

Result key points

- Full year NPAT of $17.7 million
  - includes $13.3 million after tax of restructuring and impairment costs
- Underlying EBIT of $49.0 million down 13% on pcp
  - Improvements in second half performance driven by turnaround in Dexion
  - Underlying H2 EBIT of $25.1 million up on first half and pcp
- Restructuring and impairment costs of $19.0 million pre-tax fully provided
  - $16.1 million in Dexion-related activities, to be completed in H1 FY15
  - Financial benefits to become evident in FY15
- Final dividend of 18 cents per share fully franked
  - Total dividends of 36 cents
  - Payout ratio of 83% on underlying EPS

Note: All underlying measures noted in this document are non-IFRS and have not been subject to audit or review

Financial summary

$ million	FY13	FY14	% Change
Revenue	**596.5**	**591.6**	**-1%**
Underlying EBITDA	**70.5**	**63.4**	**-10%**
Depreciation	(7.7)	(7.9)	
Amortisation	(6.4)	(6.4)	
Underlying EBIT	**56.4**	**49.0**	**-13%**
Net Finance Expense	(5.2)	(6.4)	
Underlying Profit before Tax	51.2	42.7	
Tax	(13.8)	(11.7)	
Underlying NPAT	**37.4**	**31.0**	**-17%**
Restructuring Costs after Ta:	(5.9)	(13.3)	
Reported NPAT	**31.5**	**17.7**	**-44%**
EPS & Dividend - cents			
Underlying EPS	52.5	43.5	-17%
Reported EPS	44.2	24.8	-44%
Total Dividend	52.0	36.0	-31%
Special Dividend	20.0		

Revenue and EBIT growth in Oates, Automotive, Davey and Lock Focus offset by declines in Sunbeam and Dexion

Financial position

- Debt facility renewed
  - Total facility reduced to $150 million from $180 million
  - Lower borrowing and facility costs achieved
  - Maturity tranches of two and four years
- Net debt of $98.4 million at 30 June 2014
  - Net debt to equity comfortable at 47%
  - Substantial headroom on new facility
- Healthy interest cover of 8.7 times (underlying EBITA/net interest)
- 401,827 shares acquired through on-market buy back
- Total dividends of 36 cents per share fully franked for the full year
  - Final dividend of 18 cents per share payable 3 September 2014

Restructuring projects – pre-tax costs and benefits

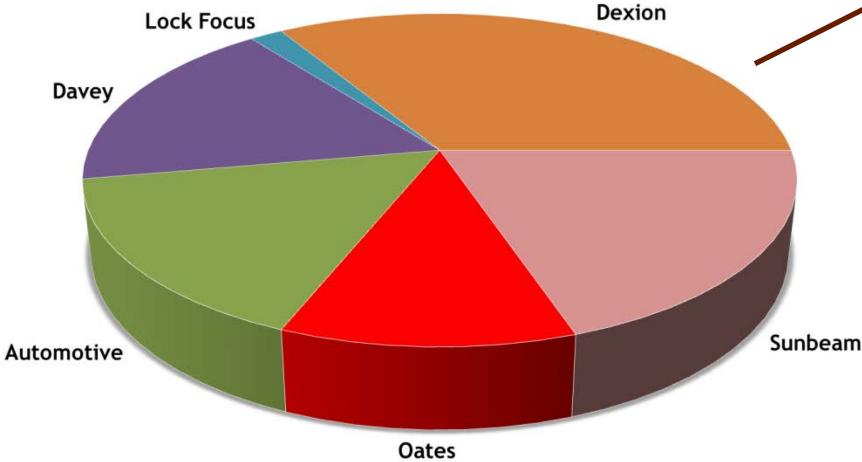
Project	Status	Cost	Annualised Benefit
Dexion – Kings Park closure	Completion Q1 FY15	$11.8 m	$6.5 m
Dexion- Elite Built exit	Completed	$2.8 m	$1.0 m
Dexion – Commercial manufacturing closure	Completion Q2 FY15	$1.5 m	$0.5 m
Sunbeam – overhead reductions	Completed	$0.7 m	$0.9 m
Sunbeam – product development write-offs	Completed	$1.5 m	-
Davey – overhead reductions	Completed	$0.2 m	$0.6 m
Oates – overhead reductions	Completed	$0.3 m	$0.5 m
Automotive – overhead reductions	Completed	$0.3 m	$0.0 m
TOTALS		**$19.0 m**	**$10.0 m**

Group-wide performance improvement initiatives

- Detailed profitability analyses completed in Dexion, Sunbeam, Davey and Oates:
  - Profit improvement opportunities identified and being progressively captured
  - Focus on supply chain, warranty, cost-to-serve and product rationalisation
  - Up to $20 million of annualised benefit to contribute over next two to three years
- Innovation initiative commenced late 2013
  - First breakthrough ideas generated and feasibility studies occurring
  - Initial release of products and services anticipated for early FY16
  - New distribution channels being pursued currently
- Implementation of high performance culture
  - New CEO appointments at Dexion, Sunbeam and Davey over FY14
  - Increased accountability for delivery of business objectives

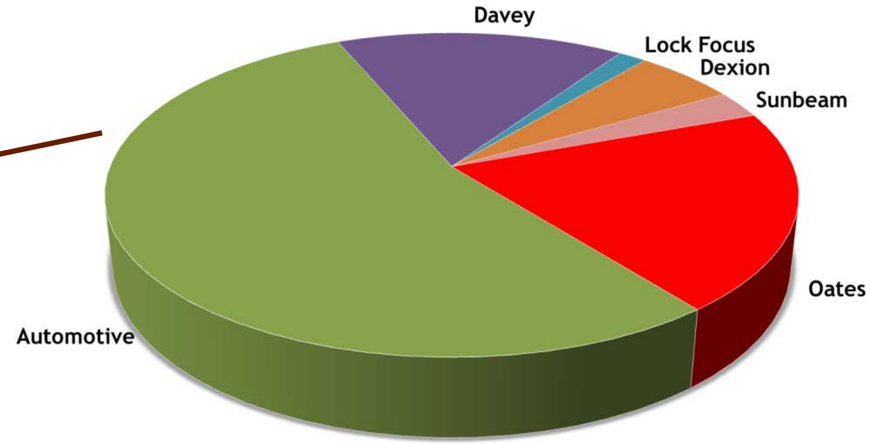
GUD business mix

FY14 revenue - $592m



Dexion 34% and Sunbeam 20% of revenue

FY14 underlying operational EBIT*



Dexion and Sunbeam currently contribute only 9% of underlying operational EBIT, highlighting a substantial EBIT growth opportunity

*Underlying EBIT before Unallocated Costs

Business summary

DEXION	Revenue down 2% to $200m Underlying EBIT down 51% to $3.1m
Sunbeam	Revenue down 9% to $117m Underlying EBIT down 83% to $1.5m
DAVEY	Revenue up 1% to $102m Underlying EBIT up 6% to $8.8m
RYCO FILTERS, WESFIL, GOSS	Revenue up 9% to $95m Underlying EBIT up 8% to $30.3m
Oates	Revenue up 2% to $67m Underlying EBIT up 3% to $11.1 m
LOCKFOCUS	Revenue up 6% to $11m Underlying EBIT up 4% to $0.9 m

Dexion

$ million	FY13	FY14	% Change
Sales	**204.0**	**199.5**	**-2%**
EBITDA	**10.0**	**6.9**	**-31%**
Depreciation	1.8	1.8	0%
Amortisation	1.9	2.0	5%
Underlying EBIT	**6.3**	**3.1**	**-51%**
EBIT/Sales %	*3%*	*2%*	

- FY14 disappointing but stronger results produced in second half
- Higher project revenue in Australia and New Zealand contributed to H2
- Dexion order book up by 55% on end-FY13 level to $69 million
- New Jumbo roll forming plant installed in Malaysia
- Primary focus has been on restructuring projects and profit improvement plan to deliver substantial benefits in FY15

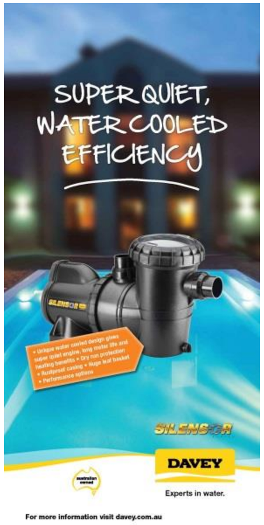
Sunbeam

$ million	FY13	FY14	% Change
Sales	**128.6**	**117.2**	**-9%**
EBITDA	**15.7**	**8.4**	**-47%**
Depreciation	2.4	2.6	10%
Amortisation	4.2	4.2	0%
Underlying EBIT	**9.1**	**1.5**	**-83%**
EBIT/Sales %	*7%*	*1%*	

- Sales declined due to prevailing competitive market conditions and a lack of innovative new products
- Margins declined due to competition stifling opportunities for price increases to offset lower dollar effect
- New CEO commenced December 2013 and management team refreshed
- Profit improvement plan developed with a focus on cost-to-serve, supply chain, warranty, product rationalisation and trading terms
- Innovation hub formed to drive ideation and development of new products

Davey

$ million	FY13	FY14	% Change
Sales	**100.9**	**102.1**	**1%**
EBITDA	**10.1**	**10.5**	**4%**
Depreciation	1.6	1.6	3%
Amortisation	0.2	0.1	-50%
Underlying EBIT	**8.3**	**8.8**	**6%**
EBIT/Sales %	*8%*	*9%*	



- Improvement reported in sales and underlying EBIT
- Revenue growth in New Zealand and Europe more than offset declines in other markets
- New CEO appointed May 2014
- Profit improvement plan being framed currently
  - Addressing unprofitable segments and supply chain costs
- Major new product launches occurring in FY15 to generate growth

Automotive

$ million	FY13	FY14	% Change
Sales	**87.3**	**95.4**	**9%**
EBITDA	**28.5**	**30.9**	**8%**
Depreciation	0.6	0.6	4%
Amortisation	0.0	0.0	
Underlying EBIT	**27.9**	**30.3**	**8%**
EBIT/Sales %	*32%*	*32%*	

- Continued strong financial performance
- Ryco and Wesfil growing market share
- Ryco launched new agricultural filters and revamped cabin air program
- Goss brand fuel pumps introduced to New Zealand market
- Wesfil continues to benefit from national footprint and service offer and new products
- FY15 improvement to come from further new product activity and organic growth

Oates

$ million	FY13	FY14	% Change
Sales	**65.7**	**67.0**	**2%**
EBITDA	**11.5**	**11.9**	**3%**
Depreciation	0.6	0.7	8%
Amortisation	0.1	0.1	24%
Underlying EBIT	**10.8**	**11.1**	**3%**
EBIT/Sales %	*17%*	*17%*	

- Improvement in financial performance in FY14
- Sales improvement in hardware and commercial more than offset a decline in supermarkets
- Profit improvement plan in early stage of development
- Steady performance anticipated through FY15 with some contribution from new products

Lock Focus

$ million	FY13	FY14	% Change
Sales	**9.9**	**10.5**	**6%**
EBITDA	**1.6**	**1.5**	**-3%**
Depreciation	0.7	0.6	-12%
Amortisation	0.0	0.0	
Underlying EBIT	**0.8**	**0.9**	**4%**
EBIT/Sales %	*8%*	*8%*	

- Sales to new market segments drove sales growth
- FY15 sales should benefit from commercialisation of new products for original equipment customers

Outlook

- Business conditions expected to remain largely unchanged over FY15
  - Currency effects predominantly hedged
  - Modest organic growth across most businesses expected
- Restructuring fully provided and activities to be completed
  - Dexion profit improvement expected
  - $10 million annualised benefit across the group by FY16
- Profit improvement plans in place or being developed
  - Focus on supply chain, cost-to-serve, warranty and product rationalisation
  - Anticipate $20 million of annualised benefit over next two years
- Innovation programs to deliver first breakthroughs in early FY16
  - First concepts undergoing feasibility and market testing
  - Breakthroughs include new products, new channels and new services