



GWA International Limited

ABN 15 055 964 380

20 May 2009


ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

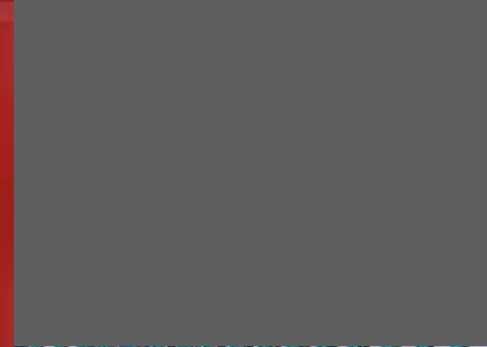
Presentation to ABN AMRO Morgans Business Breakfast

Attached is a copy of the Presentation given by the Managing Director, Mr Peter Crowley, to the ABN AMRO Morgans Business Breakfast this morning.

Yours faithfully



R J Thornton
Director and Company Secretary



GWA International Limited





**Presentation to
ABN AMRO Morgans'
Business Breakfast
20 May 2009**

Presenter:
Title:

Peter Crowley
Managing Director



Presentation Outline

- Origins of GWA
- GWA's business activities / brands
- GWA's business transformation
- Major restructuring initiatives completed
 - *Operational*
 - *Financial*
- Growth opportunities
 - *Organic*
 - *Acquisitions*
- Conclusion



Origins of GWA International Limited

- Great Western Pty Ltd established early 1930's. Focus:
 - Road transport (Western Transport)
 - Motor vehicle distribution (Westco Motors)
- Great Western Australasia Limited listed 1974 and delisted 1989
- Relisted as GWA International Limited in 1993



GWA's Business Activities and Brands

- Building fixtures and fittings
 - Sanitaryware – Caroma, Fowler, Stylus
 - Tapware – Dorf, Irwell, Stylus, Hansa, KWC
 - Sinks / Tubs – Clark, Radiant, Myttons
 - Baths / Spas – Caroma, Fowler, Stylus
 - Hot Water – Dux, Radiant, Eco Smart
 - Door Furniture – Gainsborough, Austral Lock
- Furniture – Sebel
- Lawn Mowers – Rover, Scott Bonnar



GWA's Business Transformation

- GWA has been significantly restructured over the last four years
- The Company was based around small scale, high fixed cost manufacturing businesses
- The Company now focuses on:
 - Cost competitive supply chain
 - Brand and product management
 - Leveraging distribution scale
 - Improving business systems and processes to drive operational efficiency



Major Restructuring Initiatives - Operational

- 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



Ongoing Domestic Manufacturing

- Caroma Dorf
 - *Wetherill Park vitreous china*
 - *Norwood plastic sanitaryware and components*
- Dux Hot Water
 - *Moss Vale manufacturing and assembly*
- Sebel
 - *Automated plastic seating manufacture*
- Gainsborough
 - *Die casting, keying, locksmithing and assembly at 2 sites in Melbourne*
- These sites are cost competitive



Major Restructuring Initiatives – Finance

- Net debt of \$193 million at 31 December 2008
- Banking covenants updated and are consistent with maintaining investment grade metrics
- Core bank facilities with CBA, ANZ and NAB extended to 2011
- Orderly exit of BNP Paribas by end of May 2009
- In advanced negotiations with other banks to join the banking group and expect to finalise arrangements by May 2009
- Gearing ratio of 32% at 31 December 2008 will reduce following successful capital management initiatives



Capital Management

- Proactive approach to capital management to strengthen balance sheet and enhance capacity to fund growth opportunities
- 35% participation rate for DRP offered to share-holders for the interim dividend raising \$9 million
- \$18 million raised from the underwrite of the DRP for the interim dividend
- SPP will be introduced at the appropriate time to assist with funding growth opportunities
- Supportive shareholders and banks means the Company is well placed to raise capital to fund growth opportunities



Business Growth Opportunities - Organic

- Complete roll out of Movex ERP system in July 2009 – a key enabler of efficiency improvements in 2009/10
- Ongoing new product development and roll-outs:-
 - *At Dux, energy efficient hot water systems*
 - *At Caroma Dorf, water saving toilet, urinals, taps, showers*
 - *At Gainsborough – electronic locks, security and bi-fold door locks*
 - *At Sebel – new educational seating and desks*
- Ongoing operational productivity enhancement opportunities as identified



Business Growth Opportunities - Acquisitions

- Austral acquisition allowed GWA to refine a robust acquisition process
- We have clear financial and strategic criteria for growth which underpins our work
- Opportunities to acquire assets are inevitable
- Banks and shareholders are supportive for the right opportunity and GWA share price makes script based transactions possible



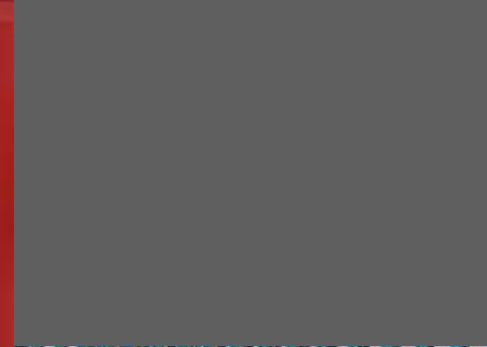
Current Business Priorities

- Strengthen balance sheet
- Complete Movex ERP system roll-out to provide:
 - *Business efficiencies*
 - *Improved business information*
- Continue the Leadership Development Program supported by improved performance management systems, remuneration and incentive programs
- Operationally our focus is on increasing prices and converting excess stock into cash



Conclusion

- Difficult market conditions through 2009
- Government stimulus initiatives will assist – but yet to come through
- GWA has cost base, capacity, brands, innovative products and distribution footprint to benefit from market upswing
- New ERP, HR and performance management systems will enable improved business efficiency
- GWA is well positioned to pursue further business transforming opportunities



GWA International Limited

