



GWA International Limited
ABN 15 055 964 380

2 April 2009

ASX On-Line
Manager Company Announcements
Australian Securities Exchange

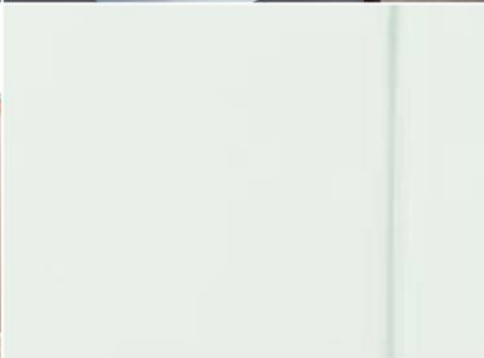
Dear Sir

Presentation to the UBS Emerging Companies Conference

Attached is a copy of the Presentation given to the UBS Emerging Companies Conference today.

Yours faithfully

R J Thornton
Company Secretary



GWA International Limited



GWA International Limited

Presentation to the UBS Emerging Companies Conference – 2 April 2009

Presenter: Peter Crowley
Title: Managing Director



Presentation Outline

- GWA's business transformation
- Recap on half year results
- Major restructuring initiatives completed
 - **Operational**
 - **Financial**
- Growth opportunities
 - **Organic**
 - **Acquisitions**
- Conclusion



GWA's Business Transformation

- GWA has been significantly restructured over the last 4 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
- Much has been done, but there is more still to do
 - Deliver the ERP system roll out
 - Continue developing high performance personnel



Operating Result Highlights - Half Year to 31 December 2008

- Underlying sales down 7% partially offset by market and product development initiatives equal to 4% of revenue
- Trading profit down 12% due to loss of higher margin sales and higher costs due in part to market development activities
- Cost benefits from restructuring are getting to bottom line, reflected by higher margins before selling and administration costs
- Price increases marginal in first half. A major focus for second half
- Lower A\$ and reduced demand increased inventory levels. Working capital reductions expected in second half.



Results – Half Year to 31 December 2008

	Half Year	Half Year	
\$000's	<u>31.12.08</u>	<u>31.12.07</u>	Change
Sales Revenue	332,940	341,940	-2.6%
Net Margin	36.7%	35.6%	
Trading EBIT	44,690	50,902	-12.2%
Trading Profit after Tax	26,591	30,665	-13.3%
Restructuring after Tax		(4,406)	
Net Profit after Tax	26,591	26,259	+1.3%



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
- Continuing the orderly exit of BNP Paribas and expect to repay remaining facilities of \$26 million by May 2009 through operating cash flow and existing facilities
- 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 shareholders 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



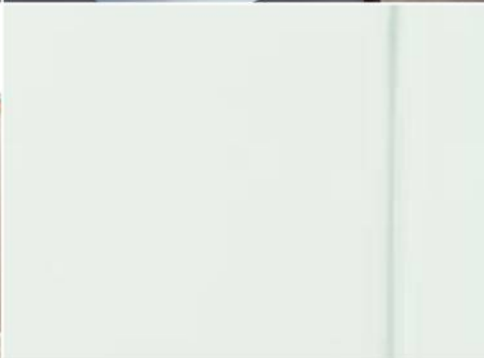
Current Business Priorities

- 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's balance sheet will support growth opportunities



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