



GWA International Limited
ABN 15 055 964 380

18 October 2010

ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sirs

Presentation to Analysts – Brivis Climate Systems

Attached is a copy of a presentation given to analysts during a site visit to Brivis Climate Systems in Melbourne today.

Yours faithfully

R. J. Thornton
Executive Director



Brivis Climate Systems

Site Visit

October 18th 2010



Agenda

- Divisions
- Brand Summary
- Core Strategy
- Brivis History
- Future
- Brand Investment
- Service & Warranty
- Project Jardine
- Operational Focus
- APAC Commercial
- Leveraging Opportunities



GWA Group – Brand Summary



Innovative wet room products and water control technologies for residential and commercial applications



Heating & cooling technologies for residential and commercial applications



Access and security technologies for residential and commercial applications



Educational and commercial furniture solutions





Divisional Brand Summary

Brand					
Market					
Residential					
Commercial					

- *Carrier brand exit End Dec 2010
- Cross selling opportunities to be leveraged (Products & Channels)
- Product bundling opportunities with builder base
- New markets/channels in Commercial with APAC brand



Brivis Core Strategy

A leading supplier of ducted heating and cooling systems for Residential use

APAC==Separate Strategy (Commercial)



Brivis History

- 1950's "Brivis" name registered – Concatenation of "O'BRlen" and "DaVIS" partners' names
 - Started importing oil heaters for Australian markets
 - Started manufacturing ducted gas heaters
- 1980's Commenced manufacture of Evaporative Coolers
- 1990's ISO 9001 Accreditation
 - Move to higher efficiency heaters – MPS range released
 - Investment in factory automation
- 1999 Acquired by Carrier
- 2000's Commenced sales of Refrigerated products
 - Additional factory automation investment
 - Focus on safety and process improvement
- 2009 Carrier closure of APAC Perth facility – transfer of residential production to Brivis
- 2010 Brivis and APAC acquired by GWA International Limited – April

Future...



Future

Residential Market:

- Brand and Product leader in Ducted Gas Heating
- Strong Competitor in Evaporative Cooling
- Supplement the range with compatible air conditioning products
- Efficient After Sales Service capability across all products
- Organic growth

Commercial Market:

- Use APAC Commercial as a new growth platform
(Well respected National Commercial brand)



Key Strategies - Future

- Build the brand, consumers and dealers
- Service Improvements – Current + Project Jardine
- Operations – Continuous improvement
- Improve market position in gas – NPD
- Improve market position in cooling segments
- Establish APAC Commercial as new growth business
 - Organic and inorganic growth opportunities
- Leveraging Brivis and Dux



Brand Investment = Higher spend in 10/11

Targeted Advertising and Promotional efforts

- Radio – Seasonal focus
- Trade based print
- Billboards
- Selective TV – Co-op with Dealers
- Dealer conferences and training
- Service technician training
- Brand visibility with Builder partners – Display Homes
- Product Catalogues
- Website Development



Improving After-sales Service – NOW

- Responsiveness
 - More call centre operators – reduced call wait times
 - Faster/streamlined communications processes
 - New measurable KPI's
 - Greater support for on-line services
- Lead-Times
 - Hire more Technicians
 - Improve Sub-contractor coverage in remote areas
 - Scheduling improvements
- Spare parts management
 - Accurate forecasting
 - Tighter inventory control
 - Optimised replenishment for technicians and Sub contractors



Project Jardine

Purpose

- Develop industry leading customer service
- Make service excellence a core part of our value proposition
- These will improve our brand reputation
- Reduce warranty/service costs
- Grow service revenue; reduce the impact of seasonality
- Create class leading platform for future revenue streams
- Applicable for other Divisions, scalable for new acquisitions



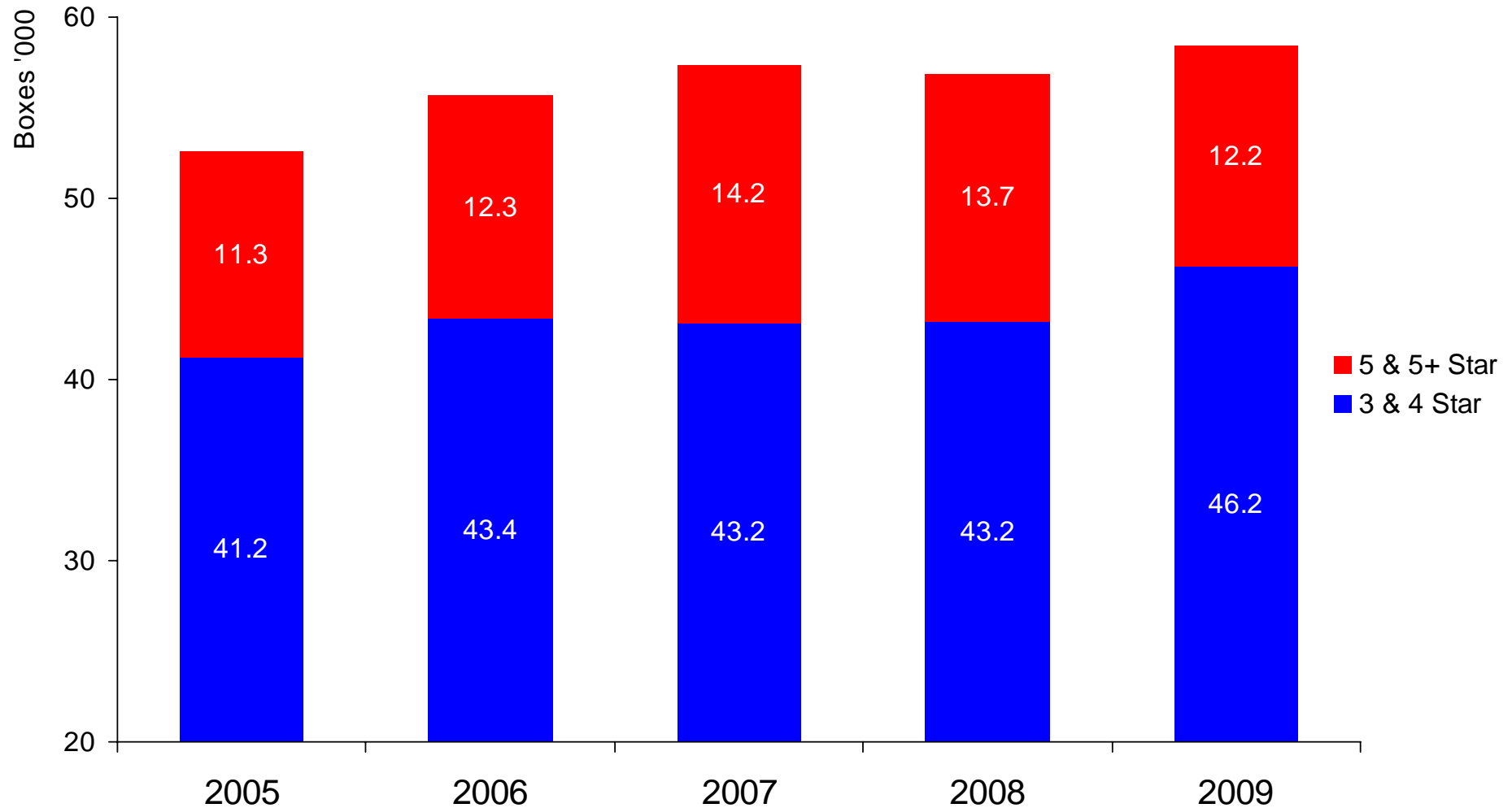
Operational Focus – Continuous Improvement

- Focus on EH&S
 - Culture of behavioural based safety
 - Annual improvement
 - Monitor and manage
- Customer Service
 - DIFOT 95%+
 - Spare Parts availability
- Cost savings and efficiency gains
 - Supply chain improvements (Joint Dux/Brivis initiatives)
 - Continuous improvement programs
- New Product Development – Product leadership
 - Recover from sustained under investment
 - Speed to market
 - Stage-gate implementation – Improved project management
 - Cross divisional resources, technology and sourcing



Australian Market Overview

Ducted Gas Heating – Efficiency





Brand/Price Positioning—Ducted Gas Furnace





Product Improvement

Ducted Gas Furnace

- Continued focus on higher efficiency
- Stand ready for probable 3 & 4 star market removal
- Work with AGA on future directions

Evaporative Cooling

- Improve performance, noise and efficiency
- Align aftermarket product sets to water efficiency
- Continue participation in AIRAH Evaporative cooling forums

Refrigerated Products

- R410a conversion
- Push efficiency to future proof against MEPS level increases
- Focus on noise reductions
- Introduce market focused inverter products

Overall

- Work with Government and Industry forums to shape future regulatory environment – Dedicated resource across all GWA businesses



APAC Commercial Business

- Develop Commercial as a new growth business along side the Brivis brand
- Re-establishing APAC Commercial cooling and add a range of air handling units (own manufacture)
- Integration to Braeside facility
 - Production, R& D, Sales & marketing, Aftermarket



Leveraging Brivis & Dux – Strategic Coordination

Cost Downs

- Bringing Dux Heat Pump in-house
 - Increased factory volume
- Logistics
 - Freight tenders, warehouse consolidation
- Purchasing
 - Consolidated volumes, purchasing scale

Systems

- Engineering
 - Common technology, process sharing
 - Product Development management
- IT
 - Coordinated approach to shared services, Jardine/Movex implementation
 - Systems harmonisation across Brivis, Dux and other GWA entities



Leveraging Channels

Opportunities

Maximise cross selling

- By channel
- By product

Utilise existing infrastructure to increase geographic footprint for GWAH&C companies



Brivis Climate Systems

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