



GWA
Group Limited

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25th January 2011

ASX On-Line

Manager Company Announcements
Australian Securities Exchange

Dear Sir

Trading Update

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 six months to December 2010. Further details will be released at the half year profit announcement on 15th February 2011.

Trading Results

Revenue for the December 2010 half year rose by approximately 12% over the corresponding period last year, reflecting the impact of the Brivis acquisition which was not included in the previous half year. Underlying sales on a like for like basis increased by approximately 4%, which is less than expected due to a decline in December as a result of poor weather conditions.

Sales for environmental water heating products were down substantially in the half, due to the reduction in government rebates. However this has been offset by higher sales associated with Government stimulus measures in public housing and the Building Education Revolution program (BER).

Trading earnings before interest and tax (EBIT) for the half year is consistent with our previous guidance for an annual EBIT in the range of \$105 - 108 million excluding Gliderol.

East Coast Floods

None of the companies operations have been adversely impacted by the Eastern Seaboard floods but the events of the past two weeks are expected to lead to lower sales during the first quarter of 2011.

However the Company expects to benefit as reconstruction and replacement programs gather pace. We will be in a better position to provide a view on the short and medium term impact of the floods on the business when we announce the half year result on 15th February.

Acquisitions/Divestments

The acquisition of *Gliderol* is progressing to plan and we expect to reach completion at the end of January, as previously announced. Integration plans are well progressed and this business will report under our Door and Access Systems business segment from 1st February.

The company is continuing in discussion with a potential buyer for the Sebel commercial seating business and a decision will be made on whether to sell this business during the first half of calendar 2011.

For further information call:

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