



GWA
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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 year ended 30 June 2013.

Revenue finished down 6% on the corresponding period last year, with trading earnings before interest and tax (EBIT) of \$65.8 million down 13% on the prior year.

An underlying decline in revenue of approximately 9% for like for like businesses has been offset by revenue from API Locksmiths, which was acquired in October 2012. Revenue was adversely impacted by the weak building sector and renovation activity and the loss of market share in the Gliderol and Dux businesses.

Despite the difficult trading conditions and competitive pressures, the strategic repositioning of the business, announced in December 2012, has been successfully implemented and has delivered a positive contribution to trading EBIT and operating cash flow of \$8 million. Employee numbers have reduced by 256 compared with last year on a like for like basis before the inclusion of API Locksmiths.

The Company generated strong cash flow from operations during 2012/13 of \$96.4 million, representing 112% of EBITDA, due to ongoing management focus on reducing working capital. The cash flow performance provided funding for the API Locksmiths' acquisition and restructuring activities.

Net debt declined by \$12 million to \$162 million at 30 June 2013, maintaining the Company's strong financial metrics.

Trading profit after tax of \$38.6 million was down 17% on the prior period. Net profit after tax of \$32.4 million was impacted by restructuring costs, following the strategic initiatives announced in December 2012, being partly offset by the sale of Gainsborough's property at Blackburn.

Further details of the trading results will be released at the full year profit announcement on 21 August 2013.

For further information call:

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