GWA
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30 October 2013

ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

Chairman's and Managing Director's Address to Shareholders

In accordance with Listing Rule 3.13, we enclose the following documents associated with the GWA Group Limited Annual General Meeting to be held at 10:30 am today:

1. Chairman's Address
2. Managing Director's Address

Yours faithfully

R J Thornton
Executive Director

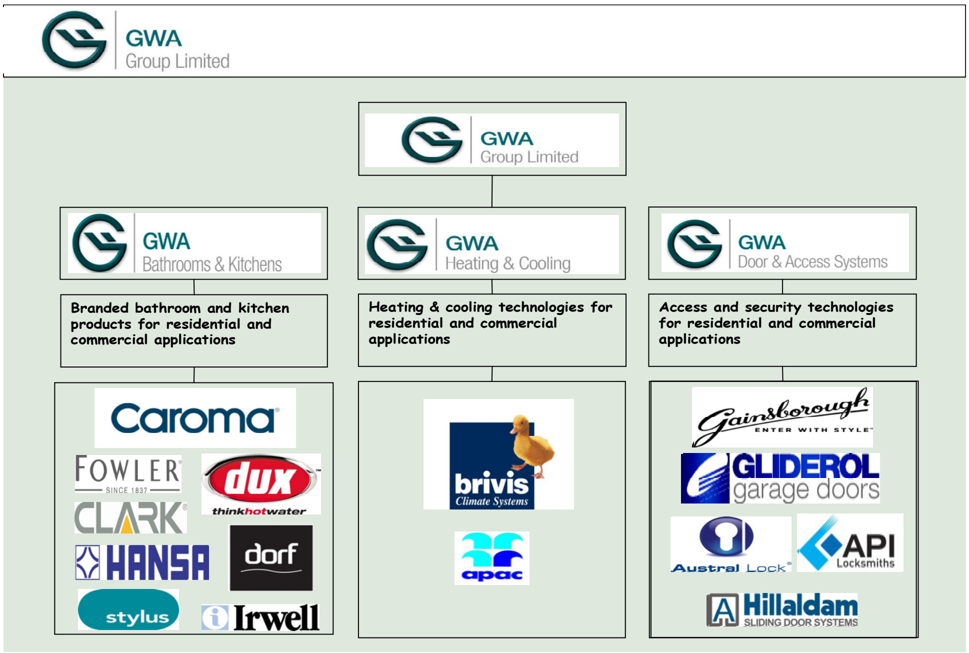
GWA Group Limited
Chairman's Address
Annual General Meeting
30 October 2013

Ladies and gentlemen, it is a pleasure for me to address this 21st Annual General Meeting of GWA Group Limited.

The 2012/13 year was challenging for the group given historically weak building and renovation activity, intense import competition and low consumer confidence levels. You will recall from last year's AGM that I reported a disappointing start to the year with trading profit before interest and tax (EBIT) for the first quarter down 41% on the prior year. It is commendable that we were able to finish the year with EBIT down only 13% on the prior year, and highlights the resilience of the business in tough market conditions and the successful implementation of the strategic plans announced in December 2012.

Building activity levels reached cyclical lows at the beginning of the 2012/13 year and the sector has been gradually recovering supported by low interest rates and rising house prices. As at the end of August this year, the moving annual total for dwelling approvals had increased to 163,000 representing a 12% increase on the prior year. Following significant restructuring activities in recent years to improve competitiveness and the acquisition of complementary businesses to expand our product and service offerings, we are well positioned to take advantage of the expected increase in market activity.

As illustrated on the following slide, our overarching strategy continues to focus on the Australian and New Zealand building fixtures and fittings sector with three core business segments of scale, comprising Bathrooms & Kitchens, Heating & Cooling and Door & Access Systems.



GWA Group Limited

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GWA Bathrooms & Kitchens

Branded bathroom and kitchen products for residential and commercial applications

GWA Heating & Cooling

Heating & cooling technologies for residential and commercial applications

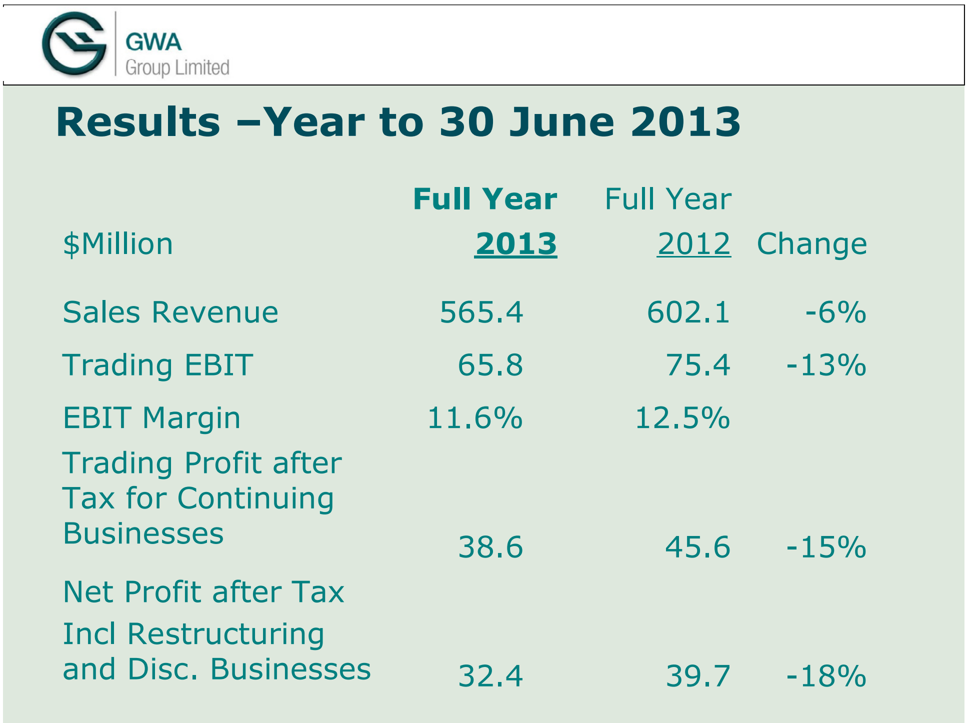
GWA Door & Access Systems

Access and security technologies for residential and commercial applications

The strategic initiatives announced by the Board in December 2012 resulted in changes to the divisional structures to improve efficiency, deliver cost savings and provide a stronger platform for growth. As part of these changes, Dux Hot Water was combined with the Bathrooms & Kitchens division and Gliderol Garage Doors was integrated into the Gainsborough business. These changes were implemented in the 2012/13 year and enabled the group to deliver improved profitability and cash flow.

The Managing Director, Peter Crowley, will expand on our strategic priorities and review the Company's operational performance at the conclusion of my address but I will touch briefly on last year's financial performance.

The Group achieved net profit after tax of $32.4 million, a decline of 18% on the prior year's performance, following a 6% decline in sales revenue. Trading earnings before interest and tax of $65.8 million represented a 13% decline on the prior year's performance reflecting the difficult trading conditions. Net profit was impacted by the significant restructuring activities completed during the year.



GWA
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Results –Year to 30 June 2013

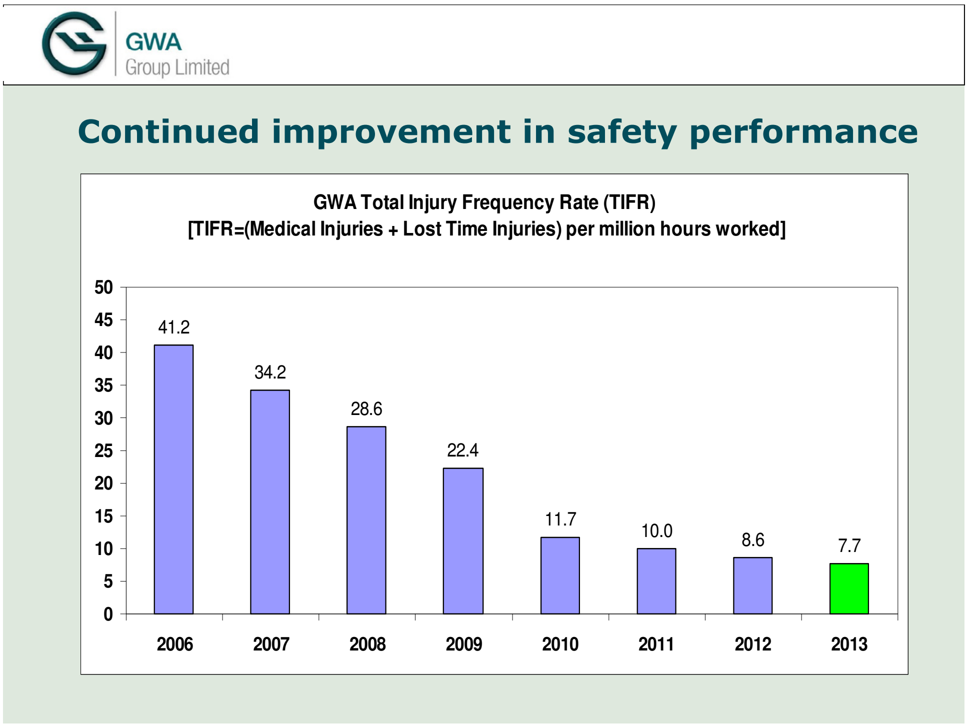
$Million	**Full Year 2013**	Full Year 2012	Change
Sales Revenue	565.4	602.1	-6%
Trading EBIT	65.8	75.4	-13%
EBIT Margin	11.6%	12.5%	
Trading Profit after Tax for Continuing Businesses	38.6	45.6	-15%
Net Profit after Tax Incl Restructuring and Disc. Businesses	32.4	39.7	-18%

Despite the weak market conditions, the Group generated strong cash flow from trading operations of $97 million, due to management's focus on reducing working capital. The cash flow performance provided funding for the restructuring and the acquisition of API Locksmiths in October 2012. It also assisted the reduction in net debt to $162 million at June 2013 which is adequately covered by bank facilities of $275 million.

This strong financial position enabled the Company to pay a fully franked ordinary dividend for the year of 12 cents per share, representing a payout ratio of 95% of trading profit after tax. The Dividend Reinvestment Plan was suspended by the Board in August as the Company has access to sufficient funding to meet its needs.

In addition to maintaining strong financial metrics we are pleased with the progress being made in creating an injury free workplace.

Continuous improvement in safety performance over the past 8 years has been consolidated with a further 11% decline in the total injury frequency rate, as outlined on the following slide. With our total injury frequency rate reducing to 7.7 we now have a consistent sense of purpose in creating a safe work environment for our people and reinforces our commitment to an injury free workplace.



GWA
Group Limited

Continued improvement in safety performance

GWA Total Injury Frequency Rate (TIFR)
[TIFR=(Medical Injuries + Lost Time Injuries) per million hours worked]

The Board is committed to the Company's environmental and social responsibilities through continually reducing energy, carbon emissions, water and waste across the Group's operations. GWA reports greenhouse gas emissions under the National Greenhouse and Energy Reporting Scheme and these reports are available on our website to provide transparency in our improvement initiatives. We are proud of the contribution our innovative products make to improvements in water and energy efficiency and we continue to invest over 1% of revenue per annum in product innovation to enhance our competitive advantage.

I will now comment on our Remuneration Report and Board composition.

GWA's remuneration policies continue to be assessed with independent advice provided by Guerdon Associates. The Board aims to provide remuneration that is fair and sufficient to attract and retain management and directors with the experience, knowledge, skills and judgement required to complement the business.

The only change in remuneration policy for the 2012/13 year was the cessation of the old GWA Employee Share Plan. Changing employee attitudes to share ownership has led to lower participation levels in recent years and it was no longer effective as a long term incentive. The plan has been discontinued and there will be no further share issues to employees under the plan. GWA executives will continue to participate in the long term incentive plan approved by shareholders in 2008.

The Board attempts to balance the need to address market trends whilst positioning GWA to retain and attract a high quality executive team led by our Managing Director, Peter Crowley. The review by Guerdon Associates during the year concluded that fixed remuneration for most GWA executives is in line with market levels. In addition, short term incentive payments to executives subject to the achievement of financial targets have declined in line with the lower trading result.

The Board is working effectively and following my retirement at the conclusion of today's meeting, the Board size will reduce to 7 directors, comprising 2 executive directors and 5 independent non-executive directors. I believe the Board has the right mix of skills with strong contributions from all directors and an open expression of views. The Board will continue to look for opportunities to improve diversity and maintain relevant experience when making future Board appointments.

In closing, I would like to thank Peter, his management team and all staff for their efforts in maintaining strong financial metrics in a difficult trading environment. The recovery in building activity levels is underway and we have the people, the businesses and strategies to take advantage of the improvement in trading conditions this financial year and to build a stronger business for the future.

On a personal note, I would like to express my appreciation for your support over the years. I am proud to have been involved with GWA and its former businesses in various capacities and I have thoroughly enjoyed the experiences and challenges that the different roles have provided. My successor as Chairman, Darryl McDonough, is well qualified to take over the leadership of GWA and I am confident that the Company will continue to grow and prosper under Darryl's stewardship in the years ahead.

I would now like to invite the Managing Director to the podium to provide a review of operations for the 2012/13 year, and an update on first quarter trading for the current financial year and outlook.

Thank you shareholders.

GWA
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Presentation to the
21st Annual General Meeting
30 October 2013

Presented by:	Peter Crowley
Title:	Managing Director

- **2012/13 Financial Year Results**
- **GWA Strategy**
- **2013/14 First Quarter Performance and Outlook for the Year**

- **2012/13 Financial Year Results**

Major Successes & Challenges in the 2012/13 Year

- √ Strategic re-positioning of the business completed
  - Strategy built around Focus, Reach & Leverage
  - 14% reduction in employees (excluding API)
- √ Bathrooms & Kitchens regaining market share
- √ Brivis gaining market share in core segments
- √ Strong cash flow from operational improvements
- √ Net Debt at $162 million, gearing 28%
- √ Refinanced in May with a new $275 million facility
- X Underperforming Gliderol business undergoing a complete transformation
- X Hot water category tough with aggressive market pricing
- X Gainsborough sourcing transition in China

Difficult Trading Conditions Mitigated by the Strategic Re-positioning

- Underlying sales on a like for like basis down 9% (6% down including API)
- Trading EBIT of $66 million down 13% on last year
- Net Margin % relatively flat to last year with Selling, General & Administration costs down 10% (excluding API)
- EPS from continuing operations 12.7 cps
- Full year dividend of 12 cents is 95% of Trading Profit after Tax
- Strong cash flow generation covered API acquisition, restructuring and reduced net debt by $12 million

2012/13 has Positioned Businesses to Deliver Growth as Conditions Improve

- The Business units have commenced the implementation of key strategic initiatives across target market segments
- A project is underway to improve our supply chain
- The Gliderol turnaround is underway but slower than expected with significant work completed fixing core processes around supply, service and installation. Focus is now on growing share and delivering top line growth
- Bathrooms & Kitchens have completed the first stage of their product rationalisation initiative, reducing inventory and streamlining supply
- IT transformation has begun with investment in people and technology solutions building stable and “fit for purpose” platforms to support the Group’s strategic initiatives

Results –Year to 30 June 2013

	Full Year	Full Year	
$Million	**2013**	2012	Change
Sales Revenue	**565.4**	602.1	-6%
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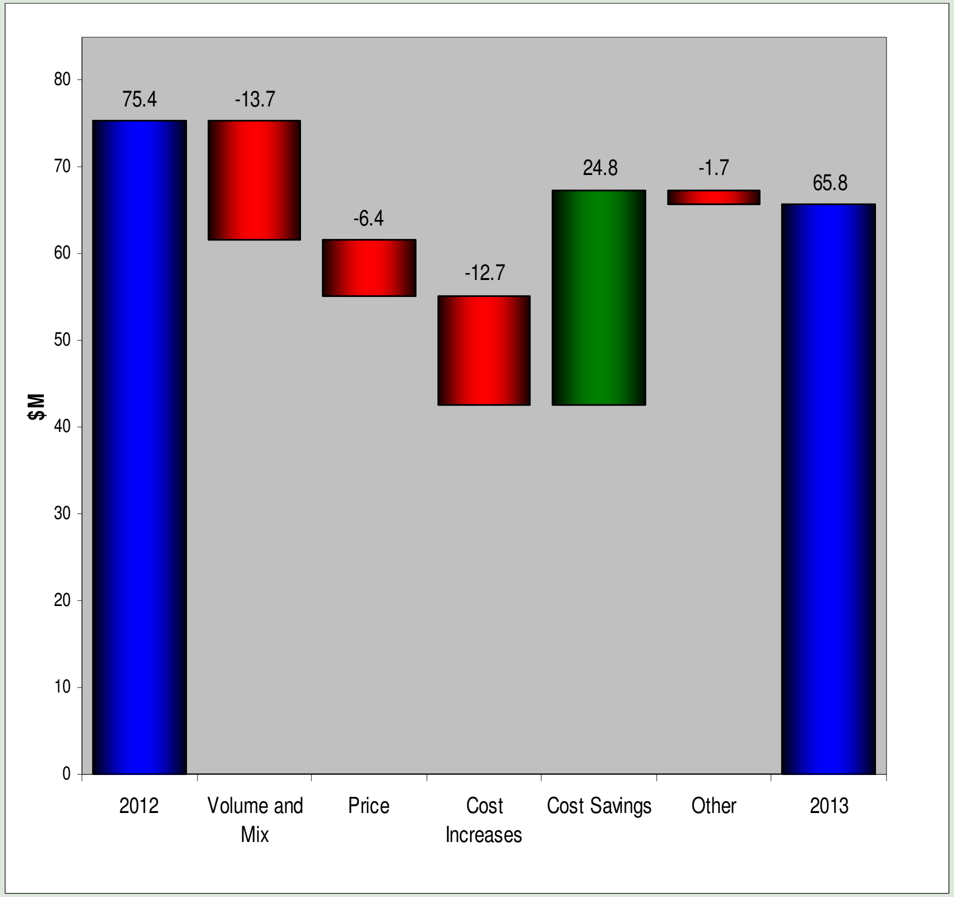
Lower Trading EBIT Driven by Sales Decline Mitigated by Cost Savings

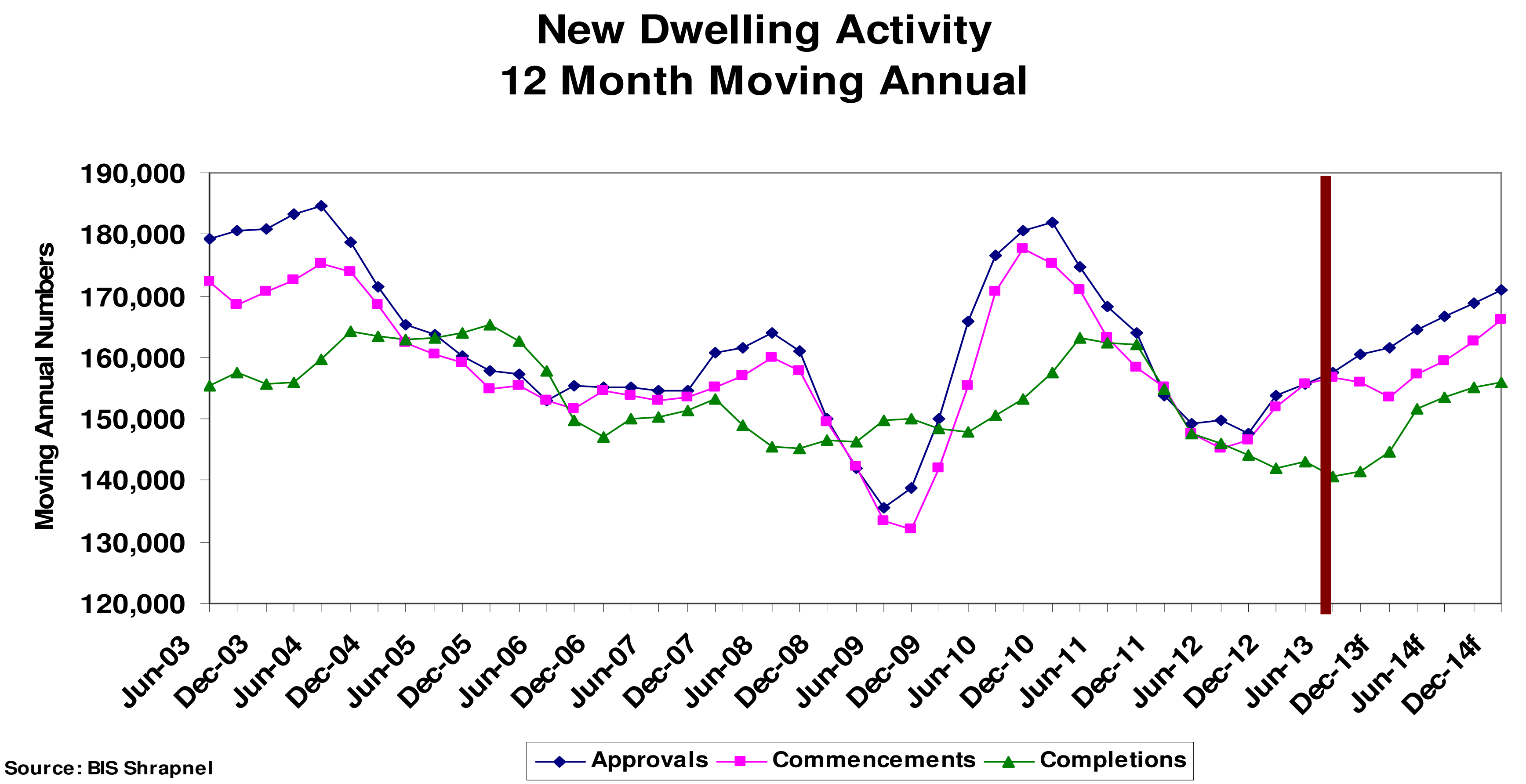


- Difficult trading conditions impacting volumes across all businesses
- Loss of market share in Garage Doors
- Pricing pressure in the Hot Water category
- Cost increases more than offset by significant savings from the restructure, the Hot Water investment and business improvement initiatives

Strategic re-positioning Improves Productivity with 14% Decline in Workforce

Total Employees June 2012	1,788
Restructuring & Operational	(256)
Total Employees June 2013 (Excl API with 148 Employees)	1,532

Building Activity Showing Signs of Life



Source: BIS Shrapnel

Bathrooms & Kitchens Tough Trading Conditions

$M	June 13	June 12	% Change
Sales	**367.5**	404.7	-9%
Trading EBIT	**64.5**	67.8	-5%
EBIT%	**17.6%**	16.7%	
ROFE	**14.4%**	14.7%	

Caroma

Fowler since 1837

dux thinkhotwater

Irwell

Clark

Hansa

stylus

dorf

- First quarter carry over of the BER and Government rebates
- Aggressive market pricing impacted Hot Water sales
- Traditional Bathrooms & Kitchens revenue down 5%
- Last quarter shows some market share gains
- Net margin % relatively flat
- Selling, General & Administration costs down 15%
- Initial Product rationalisation completed

Heating & Cooling
Weak Victorian Market and Aggressive Market Pricing

$M	June 13	June 12	% Change
Sales	**58.8**	62.5	-6%
Trading EBIT	**5.2**	6.5	-19%
EBIT%	**8.9%**	10.4%	
ROFE	**10.9%**	13.8%	

- Share regained in core categories
- Strong investment in new product development through the year
- Strong winter season for ducted gas heater sales
- Recall of evaporative coolers has not impacted brand or sales performance

brivis
Climate Systems

apac

Door & Access Systems
Lower Residential Building Activity and Gliderol Issues

$M	June 13	June 12	% Change
Sales	**140.9**	138.6	2%
Trading EBIT	**10.9**	14.1	-23%
EBIT%	**7.7%**	10.1%	
ROFE	**10.6%**	15.9%	

- Sales increased due to inclusion of API
- Underlying sales down by 11% due to market conditions and Gliderol issues
- Gainsborough EBIT flat to last year with improved margins from cost initiatives
- Gliderol improvement plans in place

Strong Cash Flow Reflects Management's Operational Focus

$Million	**2013**	2012
Cash Generated from Trading Operations	**97.2**	111.0
Cash Generated from Discontinued Operations	**Nil**	-2.0
Restructuring Cash Flows	**-13.6**	-10.1
Cash generated from Operations	**83.6**	98.9
Property / asset sales	**2.3**	18.4
Disposal of businesses	**Nil**	23.7
Capital Expenditure	**-14.7**	-25.8

Financial Metrics Are Strong

	2013	2012
Net Debt ($M)	**162.3**	174.5
Gearing Ratio (Net Debt / Net Debt Plus Equity)	**28%**	29%
Leverage Ratio (Net Debt / EBITDA)	**1.92**	1.87
Debt Maturity Profile		
July 2016	**200.0**	
July 2018	**75.0**	

Fully Franked Dividend at 95% of Trading Profit After Tax

$Million	**2013**	2012
Trading profit after tax	**38.6**	45.6
Trading earnings per share	**12.7¢**	15.1¢
Reported earnings per share	**10.6¢**	13.2¢
Ordinary Dividend		
▪ Interim	**6.0¢**	9.5¢
▪ Final	**6.0¢**	8.5¢
▪ Total (fully franked)	**12.0¢**	18.0¢

- **GWA Strategy**

Strategic Re-positioning Will Deliver a Sustainable Competitive Advantage

- The strategic work we completed in late 2012 with the help of LEK consulting realigned our thinking and led to the restructuring of the key business units

- In turn the overarching strategy was fine tuned and this is entirely consistent for the Group and across each Division. This strategy is built around FOCUS, REACH and LEVERAGE

Strategic Re-positioning Will Deliver a Sustainable Competitive Advantage

- Our FOCUS is to grow in our core Australian building fixtures and fittings markets
- In particular we will FOCUS on growth in targeted market segments where GWA can sustain long term competitive advantage
- This growth can be organic in which case our FOCUS is on better servicing our existing markets and improving our overall business efficiencies
- GWA will also pursue inorganic growth opportunities in which case our FOCUS is on acquiring businesses or distribution rights for products and services which complement GWA's existing offer to our target market segments

Strategic Re-positioning Will Deliver a Sustainable Competitive Advantage

- GWA will REACH the key decision makers across our target market segments. In doing so we will seek to influence their purchasing decisions:
  - Through a clear understanding of their needs
  - Through a value proposition which meets the needs of each target market segment
  - And through the appropriate value proposition to those aligned channel partners servicing each target market segment

Strategic Re-positioning Will Deliver a Sustainable Competitive Advantage

- GWA will maximize competitive advantage through LEVERAGE to ensure the Group operates the most efficient structures to support our target market segments and aligned channel partners. GWA will LEVERAGE the Group wide investment in:
  - Brands, Innovation, Systems & Processes, Supply Chain, Transport & Logistics, Business Relationships, Market Knowledge and Sales & Marketing
- GWA's overarching strategy of FOCUS, REACH and LEVERAGE will drive competitive advantage and deliver growth

- **2013/14 First Quarter Performance and Outlook for the Year**

2013/14 Quarter 1 & Outlook

- In the last Quarter of 2012/13 we saw dwelling approvals start to improve and this has continued into Quarter 1 of this year. The improvement is slow but it is positive and we expect completions to improve from February 2014 onwards
- Currency devaluation has impacted cost of sales but price increases became effective from September 2013 in Bathrooms & Kitchens and will be effective in the Door & Access division from November 2013
- Cost savings associated with the Group restructure continue to track as expected

2013/14 Quarter 1 & Outlook

- Group net sales are up 2% on the corresponding period last year
- Our Bathrooms & Kitchens Division is the driver of top and bottom line growth more than offsetting lower sales and profits in the Door & Access and Heating & Cooling Divisions
- As a consequence of Bathrooms & Kitchens performance and cost savings the Group's Trading EBIT is up 31% on the first quarter last year
- As a result of this strong performance we expect that trading EBIT for the full year will be in line with market consensus of approximately $80 million

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