



GWA INTERNATIONAL LIMITED  
2004/05 ANNUAL REPORT



## [BUILT ON STRONG BRANDS]

caroma®

dorf

CLARK

**dux**  
HOT WATER

*Gainsborough*

· FOWLER®

**Irwell Taps**

**WISA®**

stylus

**ROYER**  
MOWERS

sebel  
farm · function · balance



GWA INTERNATIONAL LIMITED ACN 15 055 964 380

# BUILT ON STRONG BRANDS

## 2004/05 ANNUAL REPORT

GWA International Limited listed on the Australian Stock Exchange in May 1993 and is one of Australia's largest designers, manufacturers, importers and distributors of household consumer products. The company has more than 2,400 employees with manufacturing facilities throughout Australia and in Europe.

GWA International Limited currently comprises six business divisions, Caroma, Dorf Clark, Dux, Gainsborough, Rover and Sebel, all of which are well-established businesses with strong brand names and market positions.

**Caroma** is Australia's foremost designer, manufacturer, importer and distributor of domestic and commercial sanitaryware and bathroom products. Caroma is at the forefront of product innovation and is the market leader in reduced flush water efficient sanitaryware.



**Dorf Clark** is Australia's principal designer, manufacturer, importer and distributor of tapware and associated accessories, stainless steel sinks and laundry tubs for both domestic and commercial applications.



**Dux** is an Australian designer, manufacturer, importer and distributor of a range of hot water systems. The range includes mains pressure gas and electric storage, continuous flow gas, electric and gas boosted solar and heat pump products.



**Gainsborough** is a leading Australian designer, manufacturer, importer and distributor of a comprehensive range of domestic and commercial door hardware and fittings, including security products.

**Rover** is one of Australia's leading designers, manufacturers and distributors of domestic and commercial lawn and garden care equipment.



**Sebel** is at the forefront of Australian design, manufacture and distribution of quality commercial furniture and seating.



GWA International Limited has grown significantly since listing as a result of the strong operating performance of the businesses and successful acquisitions. The company remains committed to growth through maximising business performance and the pursuit of further appropriate domestic acquisitions.

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# PERFORMANCE HIGHLIGHTS



- Record net operating profit after tax of \$63.15 million
- Earnings per share of 22.7 cents
- Fully franked dividend of 22.5 cents (including 4.5 cents in special dividends)
- Return on shareholders' equity of 14.8%

Five Year Financial Summary		2000/01	2001/02	2002/03	2003/04	2004/05
		\$'000	\$'000	\$'000	\$'000	\$'000
Operating revenue		570,072	615,843	666,525	677,393	648,316
Earnings before depreciation, interest and tax		104,422	109,934	120,426	131,564	129,910
(%)		18.3	17.9	18.1	19.4	20.0
Depreciation and amortisation		26,924	28,812	28,034	30,549	27,371
Earnings before interest and tax		77,498	81,122	92,392	101,015	102,539
(%)		13.6	13.2	13.9	14.9	15.8
Interest (net)		14,590	14,477	13,816	12,614	10,997
Operating profit before tax		62,908	66,645	78,576	88,401	91,542
(%)		11.0	10.8	11.8	13.1	14.1
Tax expense		21,457	19,995	23,569	26,348	28,389
(%)		34.1	30.0	30.0	29.8	31.0
Operating profit after tax		41,451	46,650	55,007	62,053	63,153
Net cash flow provided from operating activities before debt cost and tax		78,719	116,807	128,200	162,104	130,157
Capital expenditure		24,550	32,976	24,392	20,579	21,487
Research and development		5,228	5,064	5,770	5,485	6,488
Net debt		237,759	229,435	207,678	159,451	161,706
Shareholders' equity		386,058	387,849	413,787	428,510	425,570
Other Ratios and Statistics		2000/01	2001/02	2002/03	2003/04	2004/05
Return on shareholders' equity	%	10.7	12.0	13.3	14.5	14.8
Interest cover	times	5.3	5.6	6.7	8.0	9.3
Net debt / equity	%	61.6	59.2	50.2	37.2	38.0
Earnings per share	cents	15.0	16.8	19.8	22.3	22.7
Ordinary dividend per share	cents	13.5	14.5	15.5	18.0	18.0
Special dividend per share	cents	2.5	2.5	2.5	2.5	4.5
Total dividend per share	cents	16.0	17.0	18.0	20.5	22.5
Franking	%	100	100	100	100	100
Ordinary dividend payout ratio	%	90.0	86.3	78.3	80.7	79.3
Share price (30 June)	\$	2.35	2.35	2.70	2.95	2.92
Dividend yield	%	6.8	7.2	6.7	6.9	7.7
Number of employees		2,832	2,757	2,646	2,565	2,474

# CHAIRMAN'S REVIEW



**Barry Thornton**  
Chairman

→ I am pleased to report that the company has achieved a record profit after tax for the 2004/05 year of \$63.15 million, surpassing the record performance of the prior year. This represents the fourth consecutive record profit for the company which is an excellent achievement. The performance for the year was achieved on sales revenue of \$626.9 million. Earnings per share for the 2004/05 year was 22.7 cents per share, an increase of 1.8% over the prior year's 22.3 cents per share.

The record profit after tax for the 2004/05 year was particularly pleasing as it was achieved in a difficult trading environment for the company's businesses with a slowing domestic economy and significant increases in raw material costs.

I congratulate the company's management and staff on this outstanding financial performance, and their efforts in continuing to grow the profitability and value of the company's businesses during this challenging year.

One of the highlights of the 2004/05 year was the successful introduction of a number of innovative and environmentally friendly products to the market place. This includes Caroma Smartflush, which is a new range of reduced flush water efficient

sanitaryware, Dorf's Water Efficient Tapware (W.E.T.) and Dux's heat pump and solar heating products. These products have enabled the company's businesses to satisfy relevant regulatory requirements, meet market opportunities, and at the same time assist in reducing greenhouse gas emissions and domestic water consumption.

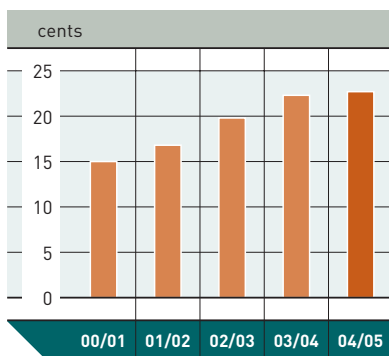
The Board is proud of the company's achievements in this area, and is committed to the on-going research, development and release of innovative and environmentally friendly products to the market place.

For more details on the company's environmental product initiatives during the 2004/05 year, I refer you to page 12 of the Annual Report.

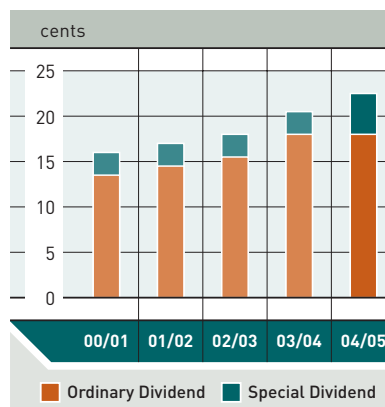
## → Dividends

The excellent trading performance and cash flow of the company's businesses has enabled the directors to increase total dividends paid to shareholders for the 2004/05 year, including the payment of special dividends as a means of distributing the company's surplus cash and franking credits. On 1 April 2005, the company paid a fully franked interim dividend of 12.5 cents per share, which included a special dividend of 2.5 cents per share.

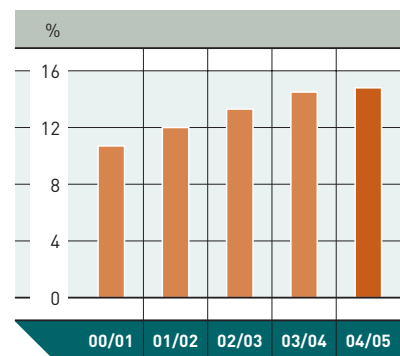
### → Earnings Per Share



### → Dividend Per Share



### → Return on Shareholders' Equity





“ One of the highlights of the 2004/05 year was the successful introduction of innovative and environmentally friendly products to the market place. ”

The directors have decided to pay a further special dividend of 2.0 cents per share with the final ordinary dividend of 8.0 cents per share payable 3 October 2005. This brings the total dividend for the 2004/05 year to 22.5 cents per share fully franked, which represents a 9.8% increase on the prior year.

As stated previously, the Board's aim is to continue to increase ordinary dividends in line with growth in company profitability. The Board will give consideration to further special dividends and other capital management initiatives as a means of distributing surplus cash and franking credits to shareholders. We expect that the company's level of domestic tax payments and franking credit balance will ensure that future dividends will continue to be fully franked.

The Dividend Reinvestment and Share Purchase Plans remain suspended as the company has sufficient funds at this time. However, the Board will consider the re-opening of these plans when a major acquisition is undertaken.

## → Corporate Governance

The company's corporate governance practices were implemented by the Board and have been integral to the success of the company since listing in 1993. The company continually strives to review and improve its corporate governance practices to ensure that best practice is maintained, and that integrity prevails in the organisation in every aspect of its operations.

The Board comprises long serving directors who have overseen the growth and development of the company since listing. Their experience and in-depth knowledge of the company's businesses has been critical to the success of the company, and will continue to be in future years.

The Board's succession plans recognise the importance of maintaining an efficient and effective Board with an appropriate balance of skills and experience, which is in the best interest of the company and its shareholders.

For details of the company's corporate governance practices, I refer you to the Corporate Governance Statement on page 15 of the Annual Report.

## → Executive Remuneration Policies

The Board has implemented an executive remuneration framework for the company which fairly and appropriately rewards performance, based on market remuneration levels as determined by expert remuneration consultants. This ensures that the company attracts, motivates and retains a high quality executive and senior management team which is critical to maximising the performance of the company's businesses.

The Board is committed to the development of key executive and senior management through the implementation during the year of a Talent Identification and Development Project in conjunction with Monash University. The objective of this project is to identify and develop key executive and senior management to meet their needs and expectations, and to meet the needs of the company's businesses. In the Board's view, this project is critical to the future success of the company.

A new requirement for the 2004/05 year is the preparation of a Remuneration Report which outlines the company's remuneration policies and disclosures for the directors and executives of the company. This report is included in the Directors' Report on page 24 of the Annual Report, and will be put to shareholders for adoption at the 2004/05 Annual General Meeting.

## → Strategic Direction

The record profit after tax for the 2004/05 year confirms that a solid platform has been laid for further growth in profitability in future periods. I am confident that there are growth opportunities for all the company's businesses, and that management can realise these opportunities in a challenging trading environment.

During the year, the company continued the search for appropriate domestic acquisitions. To date none of the opportunities presented have met the company's strict acquisition criteria. The Board will maintain this financial discipline, and will continue to evaluate acquisition opportunities on this basis.

The Board is committed to further appropriate domestic acquisitions, either to expand the company's existing businesses through bolt-on acquisitions, or entering into new markets through the acquisition of a new business division ideally with synergies with existing core businesses.

## → Future

The Board's objective is to maximise shareholder returns over time, and the company has a proven track record in this regard. The achievement of this objective is dependent upon the continued growth in performance and profitability of the company's businesses. This growth will be achieved through maximising the performance of the company's businesses and through the pursuit of appropriate domestic acquisitions, that meet the company's strict acquisition criteria and are consistent with the company's strategic plans.

**B Thornton**  
Chairman

# MANAGING DIRECTOR'S REVIEW OF OPERATIONS



**Peter Crowley**  
Managing Director

→ **The GWA International Limited Group is comprised of six business divisions operating in three business segments, Building Fixtures and Fittings, Commercial Furniture and Mowers. Each of these businesses has a strong market position, underpinned by innovation, product quality and service. The premium trading performance and growth of these businesses has enabled GWA International Limited to realise its primary objective of creating and sustaining shareholder wealth in the long term.**

These businesses operate in open and competitive markets, both locally and abroad. Each of the company's businesses is experiencing an increasing rate of change and development in their markets, driven by many factors, including new legislation for water and energy conservation, more complex supply chains, and increasing market segmentation and specialisation.

These drivers will continue to challenge our management to develop and execute effective strategies in their markets and can be expected to stimulate change in how our businesses deliver value to their customers and distribution channels. We expect this change to impact across our total business activities over coming years and, in preparation for change, the Group is undertaking

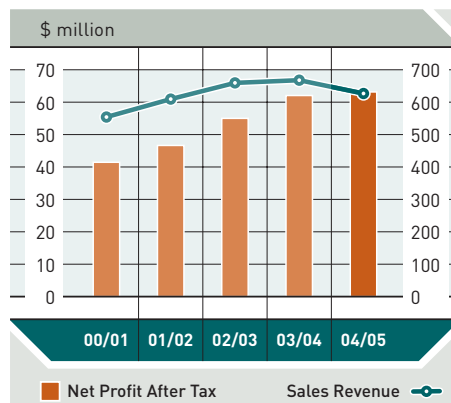
a series of initiatives which are addressed in the Investments in Future Performance section of this review.

The Group continues to make a significant contribution to the Australian community through the supply of high-quality products and ongoing research and development. Our businesses provide employment for more than 2,400 employees in Australia and overseas, and the Group made payments of \$30.0 million in Australian company tax during the 2004/05 year.

## → Record Profit for 2004/05 Year

GWA International Limited has achieved a further record profit after tax for the 2004/05 year of \$63.15 million, the fourth in succession. This result was achieved in a period of contracting market demand and reflects the continuing performance improvement of our businesses, particularly in working capital management. Sound management has maintained high cash assets which contributed increased interest income for the year. Tight working capital management resulted in reduced stock write-downs and the lowering in doubtful debt provisions. Management has also focused on reducing operating costs. These actions offset the decline in sales revenue to underpin this excellent profit result.

### → Net Profit after Tax and Sales Revenue



“GWA International Limited has achieved a further record profit after tax for the 2004/05 year of \$63.15 million, the fourth in succession. This result was achieved in a period of contracting market demand and reflects the continuing performance improvement of our businesses.”



“Our Building Fixtures and Fittings segment businesses have performed strongly over the previous three years, returning record profits.”

Business Segment	Segment Sales		Segment Profit	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Buildings, fixtures and fittings	523,850	552,504	105,736	102,176
Commercial furniture	61,608	68,148	5,781	6,832
Other	41,408	47,274	(19,975)	(20,607)
<b>Total</b>	<b>626,866</b>	<b>667,926</b>	<b>91,542</b>	<b>88,401</b>
Consolidated profit after tax			63,153	62,053

## → Cash Flow

For the 2004/05 year, the Group recorded an operating cash flow after interest and tax payments of \$83.8 million.

The 2003/04 year's record operating cash flow of \$114.7 million included the significant reduction in working capital through stock (\$21.3 million) and receivables (\$18.6 million). The reduced levels of stock and receivables were maintained through the 2004/05 year.

Net cash expenditure on property, plant and equipment totalled \$19 million, a similar level to the prior year.

## → Operating Performance

I am pleased to report another year of strong performances by the Group's businesses in 2004/05. The sales revenue and profit for each of the Group's business segments are set out in the table above.

Coming into the year, we expected a market environment of contracting domestic demand. Group sales for the year of \$626.9 million were 6.1% below the prior year, with the Building Fixtures and Fittings sales revenue of \$523.9 million being down 5.2%. This fall in sales revenue was in line with our market guidance for the year.

The Group's core activities are the Building Fixtures and Fittings businesses of Caroma, Dorf Clark, Dux and Gainsborough. These businesses

contributed an increased segment result 3.5% above the previous year's result. The 2003/04 financial year saw the peak of the domestic construction cycle.

Our Building Fixtures and Fittings segment businesses have performed strongly over the previous three years, returning record profits. However, there were significant increases in stock write-downs, product warranty expense, and also plant write-downs which adversely impacted those results.

The improvements across the Group in business performance, particularly in stock and accounts receivable management which were evident last year, continued in the 2004/05 year. It is therefore pleasing to report that stock write-down expense for the Group has reduced significantly, being \$3.19 million for the 2004/05 year, against \$7.30 million in 2003/04.

Doubtful debts provisions of \$1.03 million have been written back in the 2004/05 year, reflecting the sustained reduction in aged outstandings and the lowering of risks with overseas receivables. Product warranty provision expense reduced to \$3.81 million in 2004/05, more in line with the 2002/03 year of \$3.59 million, rather than the \$5.88 million expense of 2003/04.

The major improvements in these areas have been in the Building Fixtures and Fittings segment businesses. Caroma, the Group's largest business, contributed another

strong result on the expected lower sales revenue. Dorf Clark, also with lower sales, improved its profit contribution on the disappointing result of the prior year through improved management of inventories and receivables and strong operating cost control.

Gainsborough, our door furniture business, contributed a further increase in profit on lower sales in line with market demand. The stock write-down expense of the prior year was reduced, assisting this excellent business outcome.

The Dux water heaters business also contributed an improved profit on the prior year's result, which had been reduced by a write-down of plant.

In summary, the Group's Building Fixtures and Fittings segment performed strongly in a contracting domestic market, and continues to be the core activity of the Group, contributing 83.6% of sales revenue for the 2004/05 year.

External sales revenue for Sebel, the Group's commercial furniture business and largest exporter, reduced by 9.6% in the 2004/05 year. The restructuring of the major education contract, under which Sebel no longer supplies some of the products, contributed to this decline in sales. The high value of the Australian dollar over the year also reduced the value of exports. In this trading environment, Sebel's segment result of \$5.78 million was a sound performance.

Seasonal conditions for the Rover Mowers business were significantly less favourable than the prior year, resulting in reduced demand. Sales revenue for 2004/05 was down 12.4% on the prior year, with segment contribution declining on the record 2003/04 result.

Whilst seasonal conditions, and therefore profitability vary from year to year, Rover continues to remain very profitable, contributing a strong return on investment to the Group.

# MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Corporate expenses have been reduced on the level of the prior year. However, within these expenses, the Group has commenced a number of initiatives aimed at improving and sustaining business performance over time. These items are addressed later in this review.



“Caroma’s research and new product development facilities.”

## → Investments in Future Performance

As mentioned earlier in the review, the Group’s markets are changing and developing. New opportunities and risks are arising, and the Group’s businesses are progressively transforming to realise these opportunities and better manage the risks.

At Group and divisional level, the company has invested in a number of critical activities to support our business strategies. These investments are in:

- A new information technology system
- A Group talent identification and development program
- Expanded overseas sourcing services
- New sanitaryware manufacturing capacity
- Research and new product development

### Information Technology

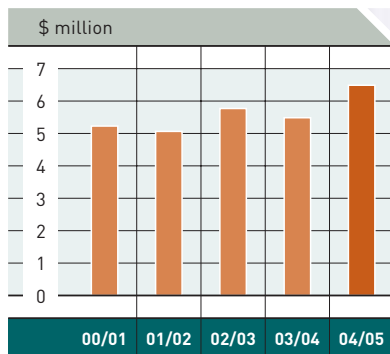
As advised in the prior year’s review, the Group’s progressive roll out of the Movex enterprise resource planning system commenced in the 2004/05 year, with the initial implementation at Dux. The Group recruited a team of skilled and experienced professionals and dedicated key Dux personnel for the implementation program. I am pleased to advise that Dux converted across to the Movex system in July 2005 on time and on budget. This is an excellent outcome which reflects the professional approach and commitment of the Dux and corporate staff involved in this business critical project. We expect to commence the next implementation in September 2005, utilising the experience gained from the Dux project. The Movex system is a critical component in enabling the Group’s businesses to meet the challenges of our increasingly complex markets and supply chains.

### Talent Identification and Development

During the 2004/05 year, the first phase of a collaboration with Monash University has been successfully completed. Monash University has designed and documented a Talent Identification and Development program for the Group’s current and potential managers. This first phase of the program has been well received by the Group’s staff and the company has now contracted with Monash for the second phase to be progressively completed through the 2005/06 year. We expect the total set-up cost of the program, including initial assessment programs, to be around \$750,000 with the major part to be incurred and expensed in the 2005/06 year.

This project has exceeded our expectations and we highly value the program devised by the Monash

## → Research and Development Expenditure



“Our businesses continue to develop innovative products which provide tangible benefits to consumers and the general community.”





“Gainsborough, our door furniture business, contributed a further increase in profit on lower sales in line with market demand.”

University staff. We believe it is essential for the sustainability of our businesses and the on-going creation of shareholder wealth to identify, develop, mentor and encourage our talented people.

### **Overseas Sourcing Services**

The Group has established GWA Trading (Shanghai) Co Ltd in China. This company will assist our Australian and international operations in developing strategic partnerships with suppliers in the Asia Pacific region.

### **Sanitaryware Manufacturing Upgrade**

During the 2004/05 year, Caroma commenced an upgrade of sanitaryware manufacturing capacity and processes at the Wetherill Park factory, incorporating the latest medium pressure casting technology. This technology has been successful in production trials and Caroma has placed orders for further machinery which will expand capacity and improve the cost competitiveness of our domestic sanitaryware manufacturing. In a companion project, a new warehouse building will be constructed at the Wetherill Park factory site during the 2005/06 year. This new building will replace leased warehouse space at a number of locations, and will also reduce distribution costs.

### **Research and New Product Development**

At the divisional level, our businesses continue to develop innovative products which provide tangible benefits to consumers and the general community. In water and energy conservation, Caroma's water efficient sanitaryware, Dorf's tapware and Dux's solar hot water systems have been recognised for their contribution to the Australian environment.

### **Employee Health and Safety**

The Group operates within a well defined policy framework in the area of employee health and safety. The Group recognises the challenges in achieving world class results by improving workplace behaviour and management emphasis. As a consequence, the Group has embarked upon an investment program to ensure that information systems are in place to identify risk areas and to track the actions to mitigate these risks with automatic escalation of priority risks.

This system and organisational platform compliments an already well developed employee health and safety structure and compliance program both within divisions and on a corporate basis.

### **Environmental**

The Group aggressively seeks to exceed environmental compliance requirements with programs directed at energy conservation and the elimination of waste and hazardous materials. The past year has resulted in a number of important advances in environmental control with the development of what is believed to be the world's first glaze material eliminating the heavy metals of Barium and Zinc and significant gains in energy pattern tracking and controls reducing overall energy demand.

### **→ Outlook for the 2005/06 Year**

Demand for products in the Group's Building Fixtures and Fittings segment is primarily driven by new dwellings, alterations and additions and non-dwelling construction. This market segment represents over 80% of Group sales.

Construction activity peaked in the 2003/04 financial year and declined in 2004/05. The market for Building Fixtures and Fittings in Australia is forecast to show a further slight decline in 2005/06, although remaining at a historically high level.

Outside Australia, a strengthened management team, offshore sourcing of product, coupled with our water saving technologies, designs and brands will drive improved performance from our international operations in this segment.

In Commercial Furniture, Sebel's exports have been impacted by the high exchange rate, and this is expected to continue into 2005/06. Seasonal conditions are the principal factor in Rover's year to year profit contribution.

During 2005/06, the Group will incur and expense costs with respect to the progressive transformation of our businesses as previously outlined. The benefits of these initiatives are expected to recoup their costs over a short period.

For the 2005/06 financial year, I expect trading performance will be similar to the prior year.



# MANAGING DIRECTOR'S REVIEW OF OPERATIONS

## → Longer Term Outlook

GWA International Limited has a diversified portfolio of strong businesses which have track records of sustained premium profitability. The major part of the Group's profits are earned in Australia, and the long term activity forecasts for our domestic markets give us confidence in the future growth opportunities for our businesses.

For the Building Fixtures and Fittings segment businesses, on-going population growth, together with trends to lower family sizes and larger houses can be expected to continue to drive new dwellings construction over time. Further growth in renovations and a sustained level of commercial construction are also positive factors for this segment.

Our businesses are increasing their penetration of export markets, and there are further opportunities developing as cost competitive sourcing is increasingly accessed.

The Group's businesses are further developing product sourcing from offshore and are continuing to invest in manufacturing technologies which will be viable in Australia into the future. Our competitors are predominantly sourcing outside Australia, and therefore exchange rates, principally the US dollar, will increasingly drive market prices and impact correspondingly on trading profits.

Over the longer term, we expect our businesses to successfully transform to access the benefits of a world supply market whilst investing in the advantages of production technologies for domestic manufacturing. This transformation will reach across all our activities, taking our research and development beyond existing products while focusing our management on the value adding opportunities of effective distribution and strong brands.

GWA International Limited will continue to seek appropriate domestic acquisitions of scale for growth. To date, we have not seen any potential acquisitions which meet our criteria, and acknowledge that an appropriate acquisition may still be some time away. We will be opportunistic in our approach to this process. In the interim, our current portfolio of businesses have an array of growth opportunities to continue to build shareholder wealth.

## → Financial Condition

GWA International Limited has a strong financial position, with resources available to continue investing in our businesses, to make acquisitions of scale, and to maintain a stream of fully franked dividends.

Operating cash flow for the 2004/05 year of \$83.8 million was expended in net new capital expenditure of \$19.0 million and dividends of \$64.0 million. Opening balance cash assets remain very strong at \$134.9 million, a marginal reduction on the prior year. These cash assets will be further boosted by the proceeds from a property sale contracted during the year, and to be settled in August 2005.

The operating cash flow of the Group's businesses is expected to continue to comfortably exceed the operational funding requirements of the company. Debt funding and other facilities are provided to the company by major banks under a Master Financing Agreement.

At balance date, bank loans were made up of:

- Australian currency \$285.0 million
- Euro 7.3 million

The loans and other facilities are extended annually under 2 year and 3 year evergreen arrangements.



“Through improved management of inventories and receivables and strong operating cost control Dorf Clark improved its profit contribution.”



“ In a difficult trading environment, Sebel’s segment result of \$5.78 million was a sound performance. ”

The Euro loan is a currency hedge with respect to the Group’s investment in the Wisa business.

The company has entered into interest rate swaps to manage the interest rate risk on Australian currency borrowings as detailed in Note 33(a)(iv) to the Financial Statements.

The future commitments for lease payments are set out in Note 24. The Group’s businesses lease some factory premises, distribution warehouses and sales offices.

GWA International Limited and specific controlled entities, incorporating the Group’s Australian operating businesses, are parties to a Deed of Cross Guarantee under which the parties to the Deed guarantee the debts of each other. The company has not given any security over its assets.

The Group’s businesses undertake prudential hedging as required with respect to material foreign currency transactions, and the position at balance date is set out in Note 33(a)(iv). The hedges are with respect to imported components and products for resale.

The Group’s cash is held predominantly in Australian dollars and is liquid, with funds placed on deposit for periods up to 90 days. At balance date, cash in foreign currencies included Euro 5.6 million, which was purchased as a hedge against the Euro denominated purchases of equipment for the sanitaryware manufacturing upgrade. This currency was purchased at an exchange rate of 0.6383 Euro to the Australian dollar.

The company is well-placed to increase its borrowings to fund any new

acquisition opportunities as they arise, with a net debt to equity ratio of 38.0% and interest cover, as defined in the Master Financing Agreement, of 8.6 times. An indicative debt rating is near BBB, however, the company has not undertaken a formal debt rating process.

All of the Group’s funding and facilities are negotiated and reported centrally. Individual businesses operate their currency hedging and other requirements, including bank guarantees, under these central facilities.

Sources of further equity include future retained earnings and reinstatement of the Dividend Reinvestment and Share Purchase Plans. These Plans have been well supported by shareholders in the past, and the Group expects a similar level of support should the Plans be reinstated.

With respect to the Employee Share Plan, at balance date, there were 3.91 million shares on issue under this Plan, with an outstanding loan balance of \$7.96 million. Dividends and repayments for the year have been \$1.52 million.

The company did not issue any new shares in the 2004/05 year. The Dividend Reinvestment and Share Purchase Plans were suspended in February 2000. No share options have been issued by the company.

The company imports products and components, principally denominated in US dollars and Euros, and competes with imports, subject to the same currency fluctuations.

Exchange rates with the US dollar and Euro have fluctuated during the year as set out in the table below:

1 Aus dollar =	Jun 04	Sep 04	Dec 04	Mar 05	Jun 05
US\$	0.6889	0.7147	0.7790	0.7719	0.7637
Euro	0.5702	0.5794	0.5717	0.5973	0.6315

## → Summary

GWA International Limited has returned four consecutive years of record profits, and the Group’s businesses are well-positioned to pursue future opportunities with managed risk.

As I outlined earlier, the rate of change in our business environments and markets is accelerating. Our recent priorities on working capital management have released funds for investment through sustainable improvements in business performance. We are confident that the initiatives underway, together with the Group’s strong financial position, will enable our businesses to realise the opportunities of change and continue to achieve our primary objective of creating sustainable shareholder wealth.

In closing, I congratulate the management and staff on their excellent results in recent years. The company is committed to providing value to our customers and the broader community and to the ongoing development of our talented and highly performing workforce.

  
P C Crowley  
Managing Director

## STRATEGIC DIRECTION AND BUSINESS DIVISIONS

GWA International Limited is committed to growing shareholder value over time. This objective will be achieved by continuing to invest in our people, products and technology to maximise the company's performance and to create value building opportunities for our businesses.

Business Divisions	Main Products and Services	Brand Names	Operating Locations
→ 	Vitreous china suites, urinals, bidets and basins. Plastic cisterns, basins, bathroom accessories and fittings. Acrylic and pressed steel spas, baths and shower trays	Caroma, Fowler, Stylus, Wisa, Hansa, Keuco	Australia, New Zealand, China, North America, Europe
→ 	Tapware and accessories, stainless steel sinks and laundry tubs	Clark, Radiant, Myttons and Epure Dorf, Caroma Taps, Irwell and Donson	Australia, overseas distributors
→ 	Dux is an Australian designer, manufacturer, importer and distributor of a range of hot water systems. The range includes mains pressure gas and electric storage, continuous flow gas, electric and gas boosted solar and heat pump products	Dux, EcoSmart	Australia, overseas distributors
→ 	A comprehensive range of door hardware comprising door handles (knobs and levers), door locks, door closers, hinges and other metal door accessories	Gainsborough, Trilock, Homecraft, In-Style	Australia, New Zealand, export markets
→ 	Range of walk-behind and ride-on mower equipment, garden chip and shred products and spare parts	Rover	Australia, New Zealand, overseas distributors
→ 	Sebel produces a broad range of commercial furniture suited to its target markets. The range includes dining seating and tables, outdoor furniture, mass seating for stadia and public areas, casual corporate markets, and tables, desks and chairs for the education market	Sebel	Australia, New Zealand, Singapore, Hong Kong, United Kingdom



**BUILT  
ON STRONG  
BRANDS**

The company's priority is to acquire another major domestic business division, and to also pursue bolt-on acquisitions that add value to our existing businesses and support our expansion into new markets.



	Major Markets	Strategic Direction
→	New dwellings, renovation, replacement and commercial markets in Australia and selected international markets	Caroma will maintain leadership in the domestic market through its focus on the research, development and release of innovative and environmentally friendly products to the market place, and will expand its international business through brand promotion strategies
→	New residential construction, renovation, replacement and non-residential construction markets in Australia, New Zealand and Asia	Dorf Clark's primary focus is to expand its market share in existing and new markets through a program of aggressive new product development and promotion of leading brands
→	Dux participates actively in the new home and replacement markets. However, the primary market for hot water systems is the replacement or breakdown market	Dux will continue to focus on improving business performance by developing new environmentally friendly products to meet emerging market requirements and regulations, strengthening key customer relationships, and reducing costs through both improved plant performance and sourcing of components
→	Domestic home builders, DIY and building projects, commercial buildings and multi-dwelling developments	Gainsborough's strategic direction encompasses the development of additional door hardware products to suit domestic buildings, continued development of commercial markets and development of export markets
→	Domestic, commercial, lawn care and garden products and equipment, marketed in over 40 countries	Rover will continue to target market growth segments in Australia and overseas
→	Entertainment, hospitality, healthcare, public seating, sports stadia, corporate and educational markets. Sells direct to builders, developers, clubs and hotels	As well as its strong emphasis on new product development, Sebel will continue to pursue traditional markets using its strong brand name and good customer service to drive sales through increased market share. Current export markets will also be expanded, with the division pursuing opportunities in education and stadia markets overseas

# ENVIRONMENTAL PRODUCT INITIATIVES



“The centres employ a team of forty, and its industrial and ceramic designers, modellers, and tooling and development casters, use advanced computer aided design technology to develop world-class products.”

## → Research and Development

Caroma operates R&D Centres at Wetherill Park in Sydney's West and at Norwood in Adelaide. The centres employ a team of forty, and its industrial and ceramic designers, modellers, and tooling and development casters, use advanced computer aided design technology to develop world-class products. Other GWA subsidiaries such as Dux and Sebel also conduct their own in-house R&D programs.

With the knowledge that both the local and international markets place ever increasing demand on environmentally friendly products, GWA has for several years focussed its R&D on developing world-class designs that pioneer ways to save water and energy, reduce greenhouse gases or deliver other environmentally sustainable benefits.

Two of the products developed by the R&D Centres are the Caroma Smartflush toilet suites and Dorf Water Efficient Tapware (W.E.T.).

- Caroma Smartflush is the result of a five year intensive testing, research and development project, during which engineers re-designed the cistern, pan and trap to work together as an optimised unit. This ensured that the system maintained the current standard requirement for flushing, cleansing and draining power, while using considerably less water.

- Dorf W.E.T. products have been re-designed internally to integrate quality flow regulators, which saves water and energy whilst not compromising on performance. W.E.T. now sets the standard for water efficient products in new homes and renovation projects throughout Australia.

Dux Hot Water Systems have been providing the Australian and international market with quality heating systems since 1915. This quality has now been paired with environmental responsibility, resulting in the production of a range of environmentally friendly products – the most popular of which are Dux's solar hot water systems. Designed to suit Australian temperature extremes, the award-winning Dux SunPro, a combination of gas boosting with solar heating, is one of the most environmentally sound domestic hot water solutions available, producing the lowest greenhouse emissions of any hot water system.

Sebel launched their new range of environmentally friendly furniture – the Eco Desk - specifically designed for the education sector. The Eco Desk is an innovative and functional method of re-using consumer packaging. Using recycled materials to make the desks means that when they reach the end of their natural life cycle, the desks can be recycled again, helping reduce landfill pressure on our environment.



→ **Caroma Smartflush**

As water restrictions are expected to be a permanent part of our future, the Caroma Smartflush toilet system becomes a very valuable asset for those households and businesses attempting to meet water conservation guidelines.



→ **Dorf W.E.T.**

Dorf W.E.T. products are also contributing to a sustainable future by saving water, energy and the environment. Dorf's sink, shower and laundry tapware has been awarded a 3A rating by the WSAA.



← **Dux Solar Hot Water Systems**

Dux was recognised by the NSW Government during the year for their efforts in raising the profile of energy efficiency in households whilst reinforcing the benefits of using energy efficient products.



← **Sebel Environmentally Friendly Furniture**

Since producing its first school chair in 1951, Sebel have always strived for new ways in which to create market-leading furniture that exceeded modern standards and market expectations.

**Caroma Smartflush**

With the country experiencing some of the harshest drought conditions and water shortages in many years, Governments, water authorities and the community are looking at long-term solutions to conserve water and protect the Australian environment. As water restrictions are expected to be a permanent part of our future, the Caroma Smartflush toilet system becomes a very valuable asset for those households and businesses attempting to meet water conservation guidelines and preserve this valuable resource.

The Smartflush dual flush technology has considerably reduced the amount of water used each time the toilet is flushed. Older style, single flush toilets use up to 11 litres of water with every flush. Converting to the Caroma Smartflush, which only uses 4.5 litres for a full flush and 3 litres for a reduced flush, will save the average household an estimated 35,000 litres of water each year.

The technology was recognised for its environmental qualities this year by the Water Services Association of Australia (WSAA) who awarded the Smartflush suites a 4A water-efficiency rating - the technology was the first in Australia to be awarded a 4A rating. The product has also been recognised for its environmental qualities through the following awards:

- '2004 Product of the Year' at the GreenPlumbers Awards
- 'Australian Design Award'
- Housing Industry Association's '2005 National GreenSmart Product of the Year' Award

- Engineers' Australia 'Award for Excellence in Engineering Design (Highly Commended)'
- 'Powerhouse Museum Selection Award'

**Dux Solar Hot Water Systems**

The Dux SunPro solar gas continuous hot water system meets not only market demand, but also legislative requirements for environmentally friendly heating solutions. In NSW, legislation requiring new Sydney metropolitan households to produce 25% less greenhouse gas emissions than similar existing households has been introduced, and in Victoria, newly built 4-star homes have to feature either gas-boosted solar systems or rainwater tanks.

Dux was recognised by the NSW Government during the year for their efforts in raising the profile of energy efficiency in households whilst reinforcing the benefits of using energy efficient products. The company was presented with a Certificate of Commendation at the Government's Energy and Water Green Globe Awards. The gas-boosted solar power system also collected the Environmentally Sustainable Design (ESD) award at the national Designbuild exhibition in Melbourne.

**Dorf W.E.T.**

Dorf W.E.T. products are also contributing to a sustainable future by saving water, energy and the environment. Dorf's sink, shower and laundry tapware has been awarded a 3A rating by the WSAA.

Engineered to regulate the flow of water, whilst still providing optimum performance, the W.E.T. range of products can be used in the kitchen, bathroom and the laundry.

If used throughout the home, it is estimated that the average household will:

- Save the equivalent of one swimming pool worth of water per year
- Use less energy as there is less water to heat
- Reduce greenhouse gas emissions as less energy is used
- Cut up to \$320 off annual household expenses

The W.E.T. range also contributes to addressing the legislative requirements set by the NSW Government's BASIX (Building Sustainability Index) program and the Victorian Government's 5 Star Sustainable Housing Scheme.

**Sebel Environmentally Friendly Furniture**

Since producing its first school chair in 1951, Sebel have always strived for new ways in which to create market-leading furniture that exceeded modern standards and market expectations.

Their range of new Eco Desks are made from 100% recycled Polyethylene Terephthalate (PET) the material used for soft drink and water bottles. The PET surfaces are denser and harder than traditional desk surfaces, and more durable than laminated desks. The result is desks that are less susceptible to breakages, warpage, and shrinkage, making them the perfect working surface for the educational sector.

# BOARD OF DIRECTORS

## → **B Thornton** KSJ FCA FAICD FAIM FCIS

### **Chairman and Non-Executive Director**

Elected to the Board 1992

**Expertise:** Chartered Accountant, corporate and financial management

**Special Responsibilities:** Chairman of the Board, Chairman of Nomination Committee and member of Audit Committee

Mr Thornton joined GWA Limited in 1974 as Finance Director and was appointed Chief Executive in 1981. In 1986, he was appointed Executive Chairman and, following the privatisation of GWA Limited in 1989 and the public float of the Manufacturing Division as GWA International Limited in 1993, he became Non-Executive Chairman. He is also Chairman of the Brisbane Airport Corporation Limited, and a member of the Brisbane Advisory Board of the Salvation Army.

During the past three years, Mr Thornton has served as a director of the following other listed company, and the period in which the directorship was held:

- Stockland Corporation Limited 1995-2004

## → **J J Kennedy** AO CBE DU<sup>iv</sup> (QUT) FCA FCPA

### **Deputy Chairman and Non-Executive Director**

Elected to the Board 1992

**Expertise:** Chartered Accountant and director of a number of public and other corporations

**Special Responsibilities:** Deputy Chairman of the Board, Chairman of Audit Committee and member of Nomination Committee

During the past three years, Mr Kennedy has served as a director of the following other listed companies, and the period in which the directorships have been held:

- Qantas Airways Limited\* since 1995
- Suncorp-Metway Limited\* since 1997
- Australian Stock Exchange Limited\* since 1990
- Macquarie Goodman Funds Management Limited 1994 - 2004

## → **P C Crowley** BA BEcon FAICD

### **Managing Director**

Appointed 6 May 2003

**Expertise:** Broad manufacturing experience in Australia and overseas

2001: Managing Director and Chief Executive, Austrim Nylex Limited, a diversified industrial company; 1999: Executive Director, Cement and Lime, The Rugby Group PLC, a UK Public Company with extensive international cement operations. During this period, also served as a director of Adelaide Brighton Limited; 1997: Chief Executive, Cockburn Cement Limited (a subsidiary of The Rugby Group PLC), Western Australia's largest cement producer and Australia's largest lime producer; 1982: Various roles with Queensland Cement Limited and its parent company Holderbank culminating in General Management responsibilities within Australia and South-East Asia.

During the past three years, Mr Crowley has served as a director of the following other listed company, and the period in which the directorship was held:

- Austrim Nylex Limited 2001-2003

## → **D R Barry** FAIM

### **Non-Executive Director**

Elected to the Board 1992

**Expertise:** Importation, distribution and retailing

**Special Responsibilities:** Member of Remuneration Committee

Mr Barry joined GWA Limited as director in 1979 and for much of his 36 year involvement with the Group was responsible for importation, wholesaling and retailing.

In 1992, Mr Barry was appointed a Non-Executive Director of GWA International Limited.

## → **R M Anderson** FAIM

### **Non-Executive Director**

Elected to the Board 1992

**Expertise:** Property investment and transport logistics

Mr Anderson has more than 49 years' experience with the Group, having joined the organisation in 1955. His expertise covers management, transport logistics, investment and property matters.

Mr Anderson was appointed a director of GWA Limited in 1979, and joined the Board of GWA International Limited as Non-Executive Director in 1992.

## → **M D E Kriewaldt** BA LLB FAICD

### **Non-Executive Director**

Elected to the Board 1992

**Expertise:** Lawyer and director of a number of public and other corporations

**Special Responsibilities:** Chairman of Remuneration Committee, member of Audit Committee and member of Nomination Committee

Mr Kriewaldt provides advice to the law firm Allens Arthur Robinson and to Aon, insurance brokers. He formerly practised in a wide range of areas including banking and finance, insurance, insolvency and receivership and intellectual property. Mr Kriewaldt is Chairman of Opera Queensland Limited.

During the past three years, Mr Kriewaldt has served as a director of the following other listed companies, and the period in which the directorships have been held:

- Campbell Brothers Limited\* since 2001
- Oil Search Limited\* since 2002
- Suncorp-Metway Limited\* since 1996
- Peptech Limited\* since 2003
- Thin Technologies Limited 2003

## → **G J McGrath** MIE

### **Non-Executive Director**

Elected to the Board 2004

**Expertise:** Manufacturing and general management

**Special Responsibilities:** Member of Remuneration Committee

2003: Mr McGrath retired as Managing Director of GWA International Limited on 6 May 2003, and continued his involvement with the Group as an adviser to the Board; 1992: Mr McGrath was appointed Managing Director of GWA International Limited; 1982: After the takeover of UPL Group by GWA Limited, Mr McGrath was appointed Managing Director of the GWA Manufacturing Group companies comprising Caroma, Sebel and Rover Mowers.

During the past three years, Mr McGrath has served as a director of the following other listed companies, and the period in which the directorships have been held:

- Campbell Brothers Limited\*\* since 2003
- Fletcher Building Limited\* since 2003

## → **Company Secretary**

### **R J Thornton** CA B Com LLB (Hons) LLM FTIA

Appointed 4 July 2003

**Expertise:** Chartered Accountant, taxation and finance

Mr Thornton joined GWA International Limited in 2002 as Group Taxation Manager and Treasurer. He is experienced in accounting, taxation and finance through positions at Coopers & Lybrand, Citibank and Ernst & Young in Australia and overseas.

\* denotes current directorship

+ denotes Chairman



# CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2005

**The Board of Directors is responsible for the corporate governance of GWA International Limited (“the company”) which is an essential part of the role of the Board. Corporate governance is about the Board undertaking an active monitoring of the company’s activities and ensuring that integrity prevails within the company. The governance principles adopted by the Board are designed to achieve this outcome.**

The corporate governance practices of the company have been in place since listing and are constantly reassessed in the light of experience (within the company and in other organisations), contemporary views and best practice guidelines on good corporate governance practices. The Board adopts practices it considers to be superior and which will lead to better outcomes for the company’s shareholders, whilst endeavouring to avoid those which are based on unsound principles or represent temporary fads.

The Board supports the Principles of Good Corporate Governance and Best Practice Recommendations (“the recommendations”) released by the ASX Corporate Governance Council. The Board confirms that the current corporate governance practices of the company are in accordance with the recommendations, except for Recommendation 2.2 which provides that the chairperson should be an independent director. The Chairman of the company, Mr Barry Thornton, would not be considered an independent director in accordance with the definition of independence outlined in the recommendations, as he is associated with a substantial shareholder. This matter is outlined in more detail below – refer Independence of Directors.

As part of its on-going review and monitoring role, the Board has continued to enhance the corporate governance practices of the company, particularly in the area of Risk Management and Internal Controls. These are outlined in more detail

below – refer Risk Management and Internal Controls.

For further information on the corporate governance practices of the company, please refer to our corporate website at [www.gwail.com.au](http://www.gwail.com.au) in the Corporate Governance section.

## → 1. Role of the Board

The Board is responsible for the long-term growth and profitability of the company. The Board charts the strategic direction of the company and monitors executive and senior management performance on behalf of shareholders. To achieve this, the Board is engaged in the following activities:

- Final approval of corporate strategies and performance objectives developed by senior management, with Board input
- Approval and monitoring of financial and other reporting
- Monitoring of executive and senior management performance, including the implementation of corporate strategies, and ensuring appropriate resources are available
- Appointment and monitoring of the performance of the Managing Director
- Liaison with the company’s External Auditor through the Audit Committee
- Ensuring that the company has appropriate systems of risk management and internal controls, reporting mechanisms and delegation authority limits in place

- Approval and monitoring of the progress of major capital expenditure, capital management, and acquisitions and divestments
- Any other matters required to be dealt with by the Board from time to time depending upon circumstances of the company
- Other matters referred to in the Board Committee charters

The Board operates under a charter that details the functions and responsibilities of the Board. The charter is regularly reviewed to ensure it remains consistent with the Board’s objectives and responsibilities and is in accordance with the recommendations of the ASX Corporate Governance Council. The Board charter has been posted on the company’s website in the Corporate Governance section.

## → 2. Board Meetings

The Board meets at least 10 times each year for scheduled meetings and may, on other occasions, meet to deal with specific matters that require attention between scheduled meetings. Together with the Board Committees, the directors use the Board meetings to challenge and fully understand the business and its operational issues.

The General Managers of the business divisions are required to regularly attend and present at the Board meetings on corporate strategies and performance. An annual corporate strategy meeting is held in July each

# CORPORATE GOVERNANCE STATEMENT

year, which enables the Board to review corporate strategies and performance with the General Managers of the business divisions. This ensures that the Board is effectively carrying out its duty of approving corporate strategies and performance objectives.

The Chief Financial Officer is required to attend Board meetings and present the Finance Department Monthly Report, and to answer questions from the directors on financial performance, accounting, risk management and treasury matters.

The Board regularly visits the company's business operations to enhance their understanding of operations and strategies. During the year, the directors held Board meetings at the Moss Vale factory of the Dux Division, the Wetherill Park factory of the Caroma Division and the Bankstown factory of the Sebel Division, followed by management presentations and factory tours.

The Company Secretary is responsible for the completion and dispatch of the agenda and Board papers for each meeting. The Company Secretary prepares the draft minutes for each meeting, which are tabled at the next Board meeting for review and approval. The Company Secretary is accountable to the Board, through the Chairman, on all corporate governance matters.

## → 3. Composition of the Board

The Board presently comprises 7 directors, 6 of whom, including the Chairman and Deputy Chairman, are non-executive directors and one, the Managing Director, is an executive director.

Profiles of the directors are set out on page 14 of the Annual Report. The profiles outline the skills, experience and expertise of each Board member.

The composition of the Board is determined by the Nomination

Committee and, where appropriate, external advice is sought. The following principles and guidelines are adhered to:

- The Board should maintain a majority of non-executive directors
- The Board should maintain a majority of independent directors
- The Chairperson should be a non-executive director
- The role of Chairperson and Managing Director should not be exercised by the same individual
- Non-executive directors should not be involved in management of the day to day operations of the company
- All Board members should have financial expertise and relevant experience in the industries in which the company operates

### **Re-Election of Directors**

In accordance with the company's constitution, at each Annual General Meeting, a number of directors will face re-election. One third of the Board (excluding the Managing Director and any director not specifically required to stand for re-election) must stand for re-election. In addition, no director other than the Managing Director may hold office for more than three years without standing for re-election, and any director appointed by the Board since the last Annual General Meeting must stand for re-election at the next Annual General Meeting. All retiring directors are eligible for re-election.

## → 4. Independence of Directors

The Board considers that directors must be independent from management and free of any business or other relationship that could interfere, or reasonably be perceived to interfere, with the exercise of their unfettered and independent judgment. In applying the definition of independence outlined in the recommendations of the ASX Corporate Governance Council, it has

been determined that the majority of the Board members of GWA International Limited are independent.

The following directors are considered by the Board to constitute the independent directors of the company:

- Mr Jim Kennedy, Deputy Chairman and Non-Executive Director
- Mr Martin Kriewaldt, Non-Executive Director
- Mr David Barry, Non-Executive Director
- Mr Robert Anderson, Non- Executive Director

The Board is responsible for ensuring that the action of individual directors in the Boardroom is that of independent persons. The Board distinguishes between the concept of independence and issues of conflict of interest or material personal interest which may arise from time to time – refer Conflicts of Interest below.

In recognising the importance of the independence of directors and the immediate disclosure of conflicts of interest, the Board has included both matters as permanent items on the agenda at Board meetings. Any independence or conflict of interest issues arising during the relevant period must be disclosed to the Chairman prior to each Board meeting. The disclosure is recorded in the register of directors' interests and in the Board minutes.

### **(i) Mr Barry Thornton – Chairman and Non-Executive Director**

As indicated above, the Chairman, Mr Barry Thornton, would not be considered an independent director based on the definition of independence outlined in the recommendations of the ASX Corporate Governance Council. This is on the basis that Mr Thornton is associated with a substantial shareholder. In the Board's view, Mr Thornton's association with a substantial shareholder in no way prevents Mr Thornton from exercising

independent judgment in carrying out his duties as Chairman of the Board. Mr Thornton is a long serving Chairman and has overseen the efficient and effective conduct of the Board's functions since listing in 1993.

In the event that any independence or conflict of interest issue arises with respect to Mr Thornton's association with a substantial shareholder, the company has procedures in place for the Deputy Chairman, Mr Jim Kennedy to assume the role as acting Chairman of the Board.

### (ii) Mr Geoff McGrath – Non-Executive Director

At the Annual General Meeting on 28 October 2004 shareholders approved the re-election of Mr Geoff McGrath as director. As disclosed in the 2003/04 Annual Report, Mr McGrath was the former Managing Director of the company and accordingly, does not meet the definition of an independent director as outlined in the recommendations of the ASX Corporate Governance Council. In the Board's view, this in no way impacts on Mr McGrath's effectiveness and performance as a director, nor does it affect Mr McGrath's ability to exercise independent judgment in carrying out his duties as a director.

### (iii) Director Tenure

The current Board members have been in office for many years, as disclosed on page 14 of the Annual Report (excluding Mr Peter Crowley and Mr Geoff McGrath who were appointed in the 2002/03 and 2003/04 years respectively). The Board does not consider that the independence of a director can be assessed by reference to an arbitrary and set period of time. The Board has overseen the growth and development of the company since listing and in the Board's view the company derives benefits from having long serving directors with detailed knowledge of the company's operations. The Board considers this a significant factor in their effectiveness and performance in their roles as directors of the company.

The Board is developing succession plans for the future retirement of individual directors. In formulating the succession plans, the Board recognises the importance of maintaining corporate memory and ensuring the appropriate balance of

skills required to maintain an efficient and effective Board.

## → 5. Conflicts of Interest

The directors are required to disclose to the Board any relationships from which a conflict of interest might arise. A director who has an actual or potential conflict of interest or a material personal interest in a matter is required to absent himself from any meeting of the Board or Board Committee, whenever the matter is considered. In addition, the director does not receive any Board papers or other documents in which there is a reference to the matter.

This process is applied to business and trading relationships, dealings with the directors, dealings with companies with common directors and dealings with any significant shareholders of the company.

The materiality thresholds used for the determination of independence and issues of conflict of interest have been considered from the point of view of the company and directors. For the company, a relationship which accounts for 5% or more of its revenue is considered material. For a director, a relationship which accounts for 5% or more of the total income of a director is considered material. Directors' fees are not subject to this test.

During the year, there were no conflict of interest issues or independence issues advised to the Chairman.

## → 6. Access to Independent Advice

Directors and the Board Committees have the right in connection with their duties and responsibilities to seek independent advice at the company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld. Where appropriate, directors share such advice with the other directors.

## → 7. Board Committees

The Board has a number of standing Board Committees to assist in carrying out its duties and responsibilities as outlined in the Board charter. All members of Board Committees are non-executive directors.

The standing Board Committees are:

### (i) Audit Committee

The Audit Committee consists of the following non-executive directors:

- **J J Kennedy** (Chairman)  
AO CBE DUniv (QUT) FCA FCPA
- **M D E Kriewaldt**  
BA LLB FAICD
- **B Thornton**  
KSJ FCA FAICD FAIM FCIS

The Audit Committee meets as required and on several occasions throughout the year. For attendance details of the Audit Committee, refer to page 28 of the Annual Report.

The composition of the Audit Committee is based on the following principles:

- The Audit Committee should consist of non-executive directors only
- The Audit Committee should maintain a majority of independent directors
- The Chairperson must be independent, and not Chairperson of the Board
- The Audit Committee should consist of at least three members
- The Audit Committee should include members who are financially literate with at least one member who has financial expertise

The Audit Committee was established in 1993 and is governed by a charter which outlines the Committee's role and responsibilities, composition, structure and membership requirements. The charter is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities and is in accordance with the recommendations of the ASX Corporate Governance Council. The Audit Committee charter has been posted on the company's website in the Corporate Governance section.

The External Auditor, Managing Director, Chief Financial Officer, Company Secretary, Risk Management and Internal Audit Manager and other company executives (as required) attend Audit Committee meetings, by invitation, to present the relevant statutory information, financial statements, reports, and to answer the questions

# CORPORATE GOVERNANCE STATEMENT

of the Audit Committee members. At the Audit Committee meetings to consider the half and full year financial results, the Audit Committee members will meet with the External Auditor without management present.

The main responsibilities of the Audit Committee include:

- Review of financial statements and external financial reporting
- Assess the management processes supporting external reporting
- Assess whether the external reporting is adequate to meet the information needs for shareholders
- Recommendations on the appointment and removal of the External Auditor
- Review and monitor the performance and independence of the external audit
- Review of tax planning and tax compliance systems and processes
- Review and monitor risk management and internal compliance and control systems
- Assess the performance and objectivity of the internal audit function
- Reporting to the Board on the Committee's role and responsibilities covering all the functions in its charter

The Company Secretary prepares the draft minutes for each Audit Committee meeting, which are tabled at the next Audit Committee meeting for review and approval. The draft minutes are also included in the Board papers of the next Board meeting following the Audit Committee meeting.

## Performance Evaluation

On a regular basis, the Audit Committee conducts an evaluation of the performance of Audit Committee members to determine whether the Committee is functioning effectively by reference to best practice.

The performance evaluation is conducted by the Chairman of the Audit Committee through interviews with individual Committee members, the results of which are reported to the Board.

## Certification of Financial Reports

The Managing Director and Chief Financial Officer state in writing to the Board each reporting period that in their opinion the company's financial reports present a true and fair view of the company's financial position and performance, and are in accordance with relevant Accounting Standards. The statements from the Managing Director and Chief Financial Officer are based on a formal sign-off framework established throughout the company and reviewed by the Audit Committee as part of the financial reporting process.

## (ii) Nomination Committee

The Nomination Committee consists of the following non-executive directors:

- **B Thornton** (Chairman)  
K SJ FCA FAICD FAIM FCIS
- **J J Kennedy**  
AO CBE DUniv (QUT) FCA FCPA
- **M D E Kriewaldt**  
BA LLB FAICD

The Nomination Committee meets as required and on several occasions throughout the year. For attendance details of the Nomination Committee, refer to page 28 of the Annual Report.

The composition of the Nomination Committee is based on the following principles:

- The Nomination Committee should consist of non-executive directors only
- The Nomination Committee should maintain a majority of independent directors
- The Nomination Committee should consist of a minimum of three members

- The Chairperson should be the Chairperson of the Board or another non-executive director

The Nomination Committee operates under a charter that details the Committee's role and responsibilities, composition, structure and membership requirements. The charter is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities and is in accordance with the recommendations of the ASX Corporate Governance Council. The Nomination Committee charter has been posted on the company's website in the Corporate Governance section.

The main responsibilities of the Committee include:

- Assessment of the necessary and desirable competencies of Board members
- Review of the Board succession plans
- Evaluation of the performance and contributions of Board members
- Recommendations for the appointment and removal of directors
- Review of the remuneration framework for the non-executive directors
- Reporting to the Board on the Committee's role and responsibilities covering all the functions in its charter

In performing its responsibilities, the Nomination Committee receives appropriate advice from external consultants and other advisers as required.

The Company Secretary prepares the draft minutes for each Nomination Committee meeting, which are tabled at the next Nomination Committee meeting for review and approval. The draft minutes are also included in the Board papers of the next Board meeting following the Nomination Committee meeting.

### **Selection and Appointment of Directors**

The Nomination Committee is responsible for the selection and appointment of directors. In the circumstances where there is a need to appoint a director, whether due to the retirement of a director, growth of the company, or changed circumstances of the company, certain procedures will be followed, including the following:

- Determination of the skills and experience appropriate for an appointee, having regard to those of the existing directors and other likely changes to the Board;
- Upon identifying a potential appointee, consider the competency and qualifications, independence, other directorships, time availability, and the effect that their appointment would have on the overall balance of the composition of the Board; and
- All existing Board members consenting to the proposed appointee.

### **Induction Program**

The Nomination Committee is responsible for ensuring that an effective induction program for new directors is in place, and regularly reviewed to ensure its effectiveness. The Board has developed a comprehensive induction program for new directors to allow the new appointees to participate fully and actively in Board decision making. The Board views the induction program as critical in enabling the new directors to gain an understanding of the company and the markets in which it operates.

A similar induction program is also available for key executives.

### **Performance Evaluation**

On an annual basis, the Nomination Committee conducts an evaluation of the performance of Board members to determine whether it is functioning effectively by reference to best practice. The performance evaluation is conducted by the Chairman of the Board through interviews with individual Board members, the results of which are reported to the Board. There were no issues to report from the performance evaluation conducted during the year ended 30 June 2005.

### **(iii) Remuneration Committee**

The Remuneration Committee consists of the following non-executive directors:

- **M D E Kriewaldt** (Chairman)  
BA LLB FAICD
- **G J McGrath**  
MIIE
- **D R Barry**  
FAIM

Mr G J McGrath was appointed a member of the Remuneration Committee on 3 August 2004, on the retirement of Mr B Thornton as a member of the Committee.

The Remuneration Committee meets as required and on several occasions throughout the year. For attendance details of the Remuneration Committee, refer to page 28 of the Annual Report.

The composition of the Remuneration Committee is based on the following principles:

- The Remuneration Committee should consist of non-executive directors only
- The Remuneration Committee should maintain a majority of independent directors
- The Remuneration Committee should consist of a minimum of three members
- The Chairperson of the Remuneration Committee should be a non-executive director

The Remuneration Committee operates under a charter that details the Committee's role and responsibilities, composition, structure and membership requirements. The charter is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities and is in accordance with the recommendations of the ASX Corporate Governance Council. The Remuneration Committee charter has been posted on the company's website in the Corporate Governance section.

The main responsibilities of the Committee include:

- Review of the company's remuneration and incentive policies

- Review of executive and senior management remuneration packages
- Review of the company's recruitment, retention and termination policies and procedures
- Review of the company's superannuation arrangements
- Reporting to the Board on the Committee's role and responsibilities covering all the functions in its charter

In performing its responsibilities, the Remuneration Committee receives appropriate advice from external consultants and other advisers as required.

The Company Secretary prepares the draft minutes for each Remuneration Committee meeting, which are tabled at the next Remuneration Committee meeting for review and approval. The draft minutes are also included in the Board papers of the next Board meeting following the Remuneration Committee meeting.

## **→ 8. Code of Conduct**

The company conducts its business with the highest standards of personal and corporate integrity. To assist employees in achieving this objective, the company has developed a comprehensive Code of Conduct which guides the behaviour of directors, officers and employees and demonstrates the commitment of the company to ethical practices. The Code of Conduct is incorporated as part of all new employees' induction training and an acceptance form is signed by all new employees acknowledging their understanding and on-going compliance.

The Code of Conduct states the values and policies of the company and complements the company's risk management practices. During the year, the Code of Conduct was reviewed and updated to ensure that it is in accordance with the recommendations of the ASX Corporate Governance Council and to promote the ethical behaviour of all employees. The Code of Conduct has been posted on the company's website in the About GWA section.

# CORPORATE GOVERNANCE STATEMENT

## → 9. Share Trading Policy

The company has developed a share trading policy which prohibits directors, officers and other "potential insiders" from trading in GWA International Limited shares during designated periods. The designated periods are six weeks immediately prior to the release of the company's full year results to the Australian Stock Exchange and four weeks immediately prior to the release of the company's half year results to the Australian Stock Exchange.

Outside of these designated periods, there are no trading restrictions where the directors, officers and other "potential insiders" are not in the possession of unpublished insider information. At all times, if an employee possesses unpublished insider information about the company, that person is prohibited from trading. In addition, employees must not engage in any short term trading in the company's shares.

As an additional restriction, the directors must advise the Chairman prior to trading outside the designated periods and confirm to the Chairman that they do not possess unpublished insider information.

## → 10. Risk Management and Internal Controls

The Board recognises that effective risk management processes help ensure the business is more likely to achieve its business objectives, and that the Board meets its Corporate Governance responsibilities. In meeting its responsibilities, the Board has ensured that management has put in place comprehensive risk management policies and practices across the company which address each of the key elements and requirements of AS/NZS Standard 4360: 2004 – Risk Management.

Such processes include defining the risk oversight responsibilities of the Board and the responsibilities of management in ensuring risks are both identified and

effectively managed. The agreed policies and practices are made effective through the combined activities of:

- an Audit Committee that reports to the Board on risk management and internal control matters;
- an Executive Risk Committee, which has recently been established to review and monitor the day to day risk activities of the company, and to report to the Audit Committee on such matters;
- a Group Risk and Internal Audit Manager who has primary responsibility for designing, implementing and co-ordinating the overall risk practices of the company. Whilst reporting to the Chief Financial Officer on a day to day basis, the Group Risk and Internal Audit Manager has the ability to report directly to the Board on any matter;
- other managers, such as the Group Compliance Manager, who has specific responsibilities in respect of health, safety and environmental risks; and
- internal audit activities, undertaken by a combination of internal and appropriately qualified external resources, based on a Board approved programme of work. Such activities link to the risk management practices of the company by ensuring risks are being adequately identified and managed through the effective and efficient operation of control procedures.

The Board aims to continually evaluate and re-assess the risk management and internal control practices of the company to ensure best practice is maintained, and to preserve and create value within the organisation. Consistent with this, the Board has initiated a review of the enterprise-wide risk management policies and practices within the company, and the recommendations arising from this review are currently being implemented.

Improvements to the identification, reporting and monitoring of actions in relation to health, safety and environmental risks have also been

implemented during the year in order to support management's objectives in this area. This has included the introduction of risk management software across the company for the recording, escalation and management of such risks.

### **Certification of Risk Management Controls**

In conjunction with the certification of financial reports (refer above), the Managing Director and Chief Financial Officer state in writing to the Board each reporting period that in their opinion:

- the statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The statements from the Managing Director and Chief Financial Officer are based on a formal sign-off framework established throughout the company and reviewed by the Audit Committee as part of the financial reporting process.

## → 11. Remuneration Policies

The Board's objective in setting the company's remuneration policies is to provide maximum stakeholder benefit from the retention of a high quality Board and executive team. This is achieved by remunerating directors and executives fairly and appropriately based on relevant employment market conditions, and the linking of the Managing Director's and executives emoluments to the company's financial and operating performance.

The Nomination Committee is responsible for determining the remuneration for the non-executive directors, with the maximum aggregate amount approved by shareholders. The directors receive their remuneration by way of directors' fees only (including statutory superannuation), and are not able to participate in the Executive

Incentive Scheme or the GWA International Employee Share Plan.

The Remuneration Committee is responsible for reviewing and determining the remuneration and incentive arrangements for the executives. The remuneration and incentive arrangements have been structured to ensure that performance is fairly rewarded and to attract, motivate and retain a high quality executive team.

For details of the company's remuneration policies and disclosures, refer to the Remuneration Report on page 24 of the Annual Report.

## → 12. Employee Share Plan

The company has operated an Employee Share Plan since listing in 1993 as part of the remuneration and incentive arrangements for executives and senior management.

Full details of the operation of the Employee Share Plan are described in the Remuneration Report on page 24 of the Annual Report.

The company has not issued share options at any time.

## → 13. Audit and Auditor Independence

The Board recognises the importance of a truly independent audit firm to ensure that the audit function delivers, for the benefit of the Board and all other stakeholders, an unbiased confirmation of both the financial statements and the state of affairs of the company. Consistent with the Board's commitment to an independent audit firm, a policy has been prepared and approved by the Board on the Role of the External Auditor, which is designed to ensure the independence of the external audit function.

During each year, the Audit Committee examines the non-audit roles performed by the audit firm and other potential audit service providers to satisfy itself that the auditor's independence will not be compromised and that alternate providers are available if considered desirable. Whilst the value of the non-audit services could, in extreme cases, compromise audit independence, more important is to ensure that the External Auditor is not passing an audit opinion on the non-audit work of its own firm.

At the Annual General Meeting on 28 October 2004, shareholders approved

the appointment of KPMG as the company's new External Auditor for the financial year commencing 1 July 2004. This followed a comprehensive tender process for the external audit conducted by the Audit Committee. KPMG replaced Ernst & Young who had been the company's External Auditor since the 1995 financial year.

During the year, KPMG provided an Auditor Independence Declaration to the Board (refer page 28 of the Annual Report) that, to the best of their knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

In considering this declaration, the Board were satisfied with the continuing independence of the audit function.

For details of the non-audit roles performed by KPMG during the year, please refer to Note 22 of the Annual Report.

### **Rotation of External Auditor**

KPMG has advised the company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

## → 14. Communication with Shareholders

The company is committed to ensuring shareholders and the financial markets are provided with full, open and timely information about its activities. This is achieved by the following:

- Complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001*. The company has for many years included continuous disclosure as a permanent item on the agenda for Board meetings. The Board has approved a Continuous Disclosure Policy to ensure the company complies with the continuous disclosure requirements, and to ensure accountability at the executive and senior management level for that compliance.
- Ensuring that all shareholder communications (including Annual Reports, Half Year Reports and Notices of Annual General Meetings) satisfy relevant statutory

requirements and the guidelines of the ASX Corporate Governance Council and other professional bodies. The company is committed to producing shareholder communications in plain English with full and open disclosure about the company's policies and procedures, operations and performance.

- Ensuring that all shareholders have the opportunity to receive externally available information issued by the company. The company has a corporate website at [www.gwail.com.au](http://www.gwail.com.au) for the purpose of enhancing communication with shareholders and other parties. All company announcements and information released to the market are located on the website and may be accessed by shareholders. There is also a Corporate Governance section on the website which outlines the practices of the company and other company information.
- The Board is committed to the continued development and enhancement of electronic communications to shareholders. This is a developing area for all publicly listed companies and the Board will continue to monitor what is happening in the market place, particularly regarding cost savings, take-up rates and service features. The Board will then decide on an appropriate electronic communication service to offer to shareholders.
- The company encourages shareholders to attend the company's Annual General Meeting to canvass the relevant issues of interest. If shareholders are unable to attend the Annual General Meeting personally, they are encouraged to participate through the appointment of a proxy or proxies. The company endeavours to set the timing and the location of the Annual General Meeting so that it is convenient for shareholders generally.
- The attendance at the Annual General Meeting by the External Auditor to answer questions from shareholders about the conduct of the audit and the preparation and content of the Independent Audit Report. Shareholders attending the Annual General Meeting are made aware they can ask questions of the External Auditor concerning the conduct of the audit.

# DIRECTORS' REPORT AS AT 30 JUNE 2005

Your directors present their report on the consolidated entity of GWA International Limited and the entities it controlled ("the company") during the financial year ended 30 June 2005.

## → Directors

The following persons were directors of the company during the financial year and up to the date of this report. Directors were in office this entire period unless otherwise stated.

- **B Thornton**, Chairman and Non-Executive Director
- **J J Kennedy**, Deputy Chairman and Non-Executive Director
- **P C Crowley**, Managing Director
- **D R Barry**, Non-Executive Director
- **R M Anderson**, Non-Executive Director
- **M D E Kriewaldt**, Non-Executive Director
- **G J McGrath**, Non-Executive Director

Mr G J McGrath was appointed Non-Executive Director of GWA International Limited on 6 July 2004.

Details of the directors' qualifications, experience and special responsibilities are located on page 14 of the Annual Report.

Details of the directorships of other listed companies held by each director in the three years prior to the end of the 2004/05 financial year, and the period for which each directorship has been held, are listed on page 14 of the Annual Report.

### Company Secretary

Mr R J Thornton was appointed Company Secretary of GWA International Limited on 4 July 2003. Details of Mr Thornton's qualifications and experience are located on page 14 of the Annual Report.

## → Directors' Interests

At the date of this report, the relevant interest (as defined in the *Corporations Act 2001*) of the directors in shares of the company were:

Director	Ordinary Shares	Interest (see notes below)
B Thornton	Nil	Note 4
J J Kennedy	50,000	Notes 1 and 4
D R Barry	3,398,961	Notes 2 and 4
R M Anderson	8,198,000	Notes 2 and 4
M D E Kriewaldt	100,000	Notes 2 and 4
P C Crowley	500,000	Notes 3 and 4
G J McGrath	593,026	Notes 1 and 4

Note 1: Beneficially and legally owned.

Note 2: The relevant interest is the power to exercise control over the disposal of the shares and the power to control the right to vote.

Note 3: In accordance with a resolution of shareholders at the Annual General Meeting on 30 October 2003, Mr Crowley was issued 500,000 shares on 14 November 2003 under the terms and conditions of the GWA International Employee Share Plan.

Note 4: Note 21 to the Financial Statements sets out the number of shares held directly, indirectly or beneficially by directors or their related entities at balance date as prescribed in Accounting Standard AASB 1046, this being 49,370,949 shares (last year 47,990,159 shares).

## → Corporate Structure

GWA International Limited is a company limited by shares that is incorporated and domiciled in Australia. GWA International Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year ended 30 June 2005, which are outlined in Note 27 of the Financial Statements.

## → Principal Activities

The principal activities during the year within the consolidated entity were the research, design, manufacturing, importing, and marketing of household consumer products as well as the distribution of these various products through a range of distribution channels in Australia and overseas.

There have been no significant changes in the nature of these activities during the year.

## → Employees

The company employed 2,474 employees as at 30 June 2005 (last year 2,565 employees).

The company recognises the productivity benefits to be gained from investing in its employees to improve motivation and individual skills. The company remains committed to ensuring that staff are provided access to appropriate training and development programs.

All companies in the consolidated entity are active equal opportunity employers.





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## → Segment Sales and Profit

The segment sales and profit of the company for the financial year ended 30 June 2005 were as follows:

Business Segment	Segment Sales		Segment Profit	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Buildings, fixtures and fittings	523,850	552,504	105,736	102,176
Commercial furniture	61,608	68,148	5,781	6,832
Other	41,408	47,274	(19,975)	(20,607)
<b>Total</b>	<b>626,866</b>	<b>667,926</b>	<b>91,542</b>	<b>88,401</b>
Consolidated profit after tax			63,153	62,053

## → Earnings Per Share

	2005 cents	2004 cents
Basic earnings per share	22.7	22.3

## → Review of Operations and State of Affairs

A review of the operations of the company and the results of those operations for the financial year ended 30 June 2005 is provided in the Managing Director's Review of Operations which is located on page 4 of the Annual Report.

In the opinion of the directors, there were no significant changes in the state of affairs of the company during the financial year, other than that referred to in the Financial Statements or notes thereto.

## → Dividends

In respect of the financial year ended 30 June 2004, as detailed in the Directors' Report for that financial year, a final ordinary dividend of 8.0 cents per share and a special dividend of 2.5 cents per share, fully franked at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 1 October 2004.

In respect of the financial year ended 30 June 2005, an interim ordinary dividend of 10.0 cents per share and a special dividend of 2.5 cents per share, fully franked at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 1 April 2005.

In respect of the financial year ended 30 June 2005, the directors recommend the payment to the holders of fully paid ordinary shares on 3 October 2005 of a final ordinary dividend of 8.0 cents per share and a special dividend of 2.0 cents per share, fully franked at the 30% corporate income tax rate.

## → Significant Events after Balance Date

On 16 August 2005, the directors of GWA International Limited declared a final ordinary dividend of 8.0 cents per share and a special dividend of 2.0 cents per share in respect of the financial year ended 30 June 2005. The dividends will be fully franked at the 30% corporate income tax rate.

The total amount of the dividend is \$27.830 million (last year \$29.222 million). In accordance with Accounting Standards, the dividends have not been provided for in the Financial Statements for the year ended 30 June 2005.

For reporting periods beginning on or after 1 July 2005, the company must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board. The implementation plan and potential impact of adopting AIFRS are detailed in Note 34 to the Financial Statements.

There has not been any other matter or circumstance, other than that referred to in the Financial Statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company.

## → Likely Developments and Expected Results

Likely developments and expected results of the operations of the company are provided in the Managing Director's Review of Operations which is located on page 4 of the Annual Report.

In the next financial year, the company will continue to pursue its policies of increasing profitability and market share of all its businesses. Strategies have been formulated which focus on maintaining growth and ensuring that the company generates the best possible returns from its businesses.

Further information on likely developments and expected results of the operations of the company have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

# DIRECTORS' REPORT

## → Environmental Regulation and Performance

The company holds licences issued by Environmental Protection Authorities and Water Authorities that specify limits for discharges to the environment, which arise from the operations of entities that it controls. These licences regulate the management of discharge to air, storm water run-off, removal and transport of waste associated with the manufacturing operations in Australia and the Netherlands.

Designated entities comply with the Australian National Pollutant Inventory by reporting on emissions annually.

In Victoria, licenced entities develop annual Waste Management Plans, in conjunction with the Victorian Environmental Protection Authority.

The company actively pursues solid waste and emission reduction programs in its businesses. This is highlighted by its most recent success at the Caroma business where a technological advance has eliminated heavy metal additives from glazed products, resulting in the reduction of prescribed waste by 600 tonnes per annum in the initial stages of the program.

Where appropriate, an independent review of the company's compliance with licence conditions is made by external advisors.

The company in conjunction with external advisors monitors storage and treatment of hazardous materials within particular operations. Prior to any discharge to sewers, effluent is treated and monitored to ensure strict observance with licence conditions. The directors are not aware of any breaches of the company's licence conditions during the financial year ended 30 June 2005.

## → Indemnification and Insurance of Directors and Executives

### *Indemnification*

The company's Constitution provides that, to the extent permitted by the law, every current (and former) director or secretary of the company shall be indemnified out of the assets of the company against all costs, expenses and liabilities which results directly or indirectly from facts or circumstances relating to the person serving (or having served) in their capacity as director or secretary of the company, but excluding any liability arising out of conduct involving a lack of good faith or conduct known to the person to be wrongful or any liability to the company or related body corporate.

### *Insurance Premiums*

The company has paid premiums in respect of insurance contracts which provide cover against certain liabilities of every current (and former) director and officer of the company and its controlled entities. The contracts of insurance prohibit disclosure of the total amount of the premiums paid, or the nature of the liabilities covered under the policies.

Premiums were paid in respect of every current (and former) director and officer of the company and controlled entities, including the directors named on page 14 of the Annual Report, the Chief Financial Officer, the Company Secretary and all persons concerned or taking part in the management of the company and its controlled entities.

## → Remuneration Report

This report outlines the remuneration arrangements in place for the directors and executives of the company.

### *Remuneration Objectives*

The performance of the company depends upon the quality of its directors and executives. To maximise the performance of the company's businesses, the company must attract,

motivate and retain a highly skilled director and executive team. This is achieved through a remuneration and incentive framework which has been put in place by the Board, and is guided by the following objectives:

- Provide fair and competitive rewards to attract high quality executives
- Linking of executive reward to improvement in company performance
- Significant proportion of executive remuneration is "at risk," dependent upon meeting pre-determined performance benchmarks
- The establishment of challenging and achievable performance hurdles in relation to variable executive remuneration
- An employee share plan which rewards performance and represents a long term financial commitment to employment with the company

### *Remuneration Structure*

In accordance with the recommendations of the ASX Corporate Governance Council, the remuneration structure for the non-executive directors is separate and distinct from the remuneration structure for the executives.

### *Non-Executive Directors' Remuneration Policy*

The Nomination Committee is responsible for determining the remuneration arrangements for the non-executive directors, with the annual maximum aggregate amount approved by shareholders. At the Annual General Meeting on 28 October 2004, shareholders approved an annual maximum aggregate amount of \$1 million (excluding statutory superannuation).

The non-executive directors are remunerated by way of directors' fees only (including statutory superannuation) and are not able to participate in the Executive Incentive Scheme or the GWA International Employee Share Plan (refer below).



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An additional fee is also paid for each Board Committee on which a director sits. The payment of additional fees for serving on a Committee recognises the additional time commitment required by directors who serve on one or more Committees.

In setting the level of non-executive directors' fees and the manner in which it is to be apportioned amongst the directors, the Nomination Committee takes advice from external advisers to determine market remuneration levels, with the objective of ensuring that the levels fairly represent the responsibilities and time spent by the non-executive directors on company matters.

Following shareholder approval of the termination of the Directors' Retirement Scheme for non-executive directors at the Annual General Meeting on 30 October 2003, retirement benefits are not available for any new non-executive directors of the company, other than statutory superannuation. This is in accordance with the recommendations of the ASX Corporate Governance Council.

At the Annual General Meeting on 28 October 2004, shareholders approved the payment of the accrued benefits to the non-executive directors under the former Directors' Retirement Scheme, when each director requests that payment be made.

For details of the emoluments paid to the non-executive directors for the year ended 30 June 2005, refer to the Remuneration Tables on page 27 of the Annual Report.

### **Executives' Remuneration Policy**

The Remuneration Committee is responsible for determining and reviewing the remuneration arrangements for the executives. The Remuneration Committee takes advice from external advisers to ensure the appropriateness of the nature and amount of emoluments of such officers, with the overall objective of ensuring maximum stakeholder benefits from the retention of a high quality executive team.

The executives' remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
  - Short Term Incentive
  - Long Term Incentive
- Employee Share Plan

The fixed remuneration component includes base salary, statutory superannuation, and non-monetary benefits including medical benefits membership, life and disability insurance and the provision of motor vehicles. The variable remuneration component includes a short term incentive and long term incentive under the Executive Incentive Scheme. As a further component of remuneration, employees of the company may be invited to participate in the GWA International Employee Share Plan.

### **Fixed Remuneration**

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee based on external advice for determining market remuneration levels, as well as having regard to company, divisional and individual performance.

The fixed remuneration of the five most highly remunerated executives is detailed in the Remuneration Tables on page 27 of the Annual Report.

### **Variable Remuneration**

To assist in achieving the objective of retaining a high quality executive team, the Remuneration Committee links the nature and amount of the executive emoluments to the company's financial and operating performance. Executives have the opportunity to qualify for participation in the Executive Incentive Scheme. Under the scheme there are two incentives, one based on yearly performance and one based on

discrete three year periods. All performance plan payments are subject to maximum amounts.

### **Executive Incentive Scheme**

The Executive Incentive Scheme came into effect on 1 July 2001 and its participants include the members of the divisional and corporate executive. There are two incentives including an Operating Performance Incentive and a Strategic Growth Incentive, with the objective of maximising short term operating performance and long term strategic growth.

The Operating Performance Incentive operates from divisional operating profit targets for divisional executives, and group earnings before interest and tax targets for corporate executives. Where the yearly profit targets are achieved, participating executives receive an incentive payment, subject to a cap of between 30% to 35% of their base salary.

The yearly profit targets are set by the Remuneration Committee at the beginning of the year having regard to the major external factors which are expected to impact each division including forecast economic conditions, expected benefits from new products, capital expenditure and other relevant factors. The Remuneration Committee ensures that the profit targets are challenging and achievable, and will assist in focusing divisional and corporate executives on maximising operating performance of the company's businesses.

The Strategic Growth Incentive rewards progressive growth in underlying divisional profitability and earnings per share over time. The incentive is calculated based on divisional profits for divisional executives, and earnings per share for corporate executives, within discrete three year periods. Where the three year profit and earnings per share targets are achieved, participating executives receive an incentive payment, subject to a cap of between 20% to 30% of their base salary.

# DIRECTORS' REPORT

The three year profit and earnings per share targets are set by the Remuneration Committee at the beginning of the three year period having regard to current performance and forecast external factors expected to impact each division, and are also subject to minimum return on investment achievement. The Remuneration Committee ensures that the three year profit and earnings per share targets are challenging and achievable, and will assist in focusing divisional and corporate executives on maximising growth in profitability and return on investment.

The total combined payments under the abovementioned two incentives are capped at 50% to 65% of salary for each participating executive. Payments are delivered by way of cash bonus, and are paid when the company's annual financial statements are completed.

### Employee Share Plan

As a further component of remuneration, employees of the company may be invited to participate in the GWA International Employee Share Plan which commenced on the listing of the company in 1993. Under the plan, employees are provided with a non-interest bearing loan from the company to acquire shares in the company at market value. The loan is repaid through dividends, or in full upon an employee ceasing employment with the company. The employee bears the risk of share price movements below the issue price.

In accordance with the rules of the plan, the total number of employee shares on issue may not exceed 5% of the total company shares on issue. At 30 June 2005 there are currently 3.91 million shares issued under the GWA International Employee Share Plan, which have an outstanding loan balance of \$7.96 million. The plan does not provide for the issue of options and no options have been issued by the company.

There are three events which trigger employee share issues, all of which must be approved by the Remuneration Committee, including:

- Appointment of new divisional and corporate executives as recommended by the Managing Director
- Achievement of three year targets by divisional and corporate executives pursuant to the Executive Incentive Scheme (refer above)
- The periodic issue to employees who merit additional recognition of their performance and are integral to the future success of the company, as recommended by the Managing Director

The GWA International Employee Share Plan is an effective incentive in encouraging and rewarding sustained higher performance from executives and senior management, and represent a long term financial commitment to their employment with the company.

### Shareholder Wealth

The table below is a summary of key shareholder wealth statistics for the company over the last five years.

As can be seen from the table, the company has improved operating performance in each of the years, enabling increased cash dividends to be paid to shareholders. Whilst the prevailing economic conditions were a key driver in the performance of the company's businesses, the results are

also a reflection of the performance of the company's executive team in achieving the growth in profitability.

The remuneration and incentive framework, which has been put in place by the Board, has ensured that executives are focused on both maximising short term operating performance and long term strategic growth. This has contributed to the company generating the increased shareholder returns as set out in the below table, including a total of 14.5 cents in fully franked special dividends paid to shareholders in the last five financial years.

The Board will continue to review and monitor the remuneration and incentive framework to ensure that performance is fairly rewarded and encouraged, and to attract, motivate and retain a high quality executive team.

### Termination of Employment

The specified executives on page 27 of the Annual Report are on open-ended contracts, except for the Executive Director, Mr Peter Crowley, whose employment contract specifies an initial term of twelve months with subsequent rolling terms of twelve months.

The employment contract for Mr Crowley provides that if either the company or Mr Crowley wishes to terminate employment for any reason, three months notice of termination is required, or payment in lieu, based upon current salary levels. On termination by the company, Mr Crowley will be entitled to receive payment of twelve months salary.

Financial Year	EBIT \$m	EPS cents	Total DPS <sup>(1)</sup> cents	Share Price \$
30 June 2001	77.5	15.0	16.0	2.35
30 June 2002	81.1	16.8	17.0	2.35
30 June 2003	92.4	19.8	18.0	2.70
30 June 2004	101.0	22.3	20.5	2.95
30 June 2005	102.5	22.7	22.5	2.92

<sup>(1)</sup> Includes special dividends



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For the other specified executives, the company is legally required to give reasonable notice of termination, or payment in lieu, based upon current salary levels.

Under the Executive Incentive Scheme, no incentive is payable in the event of termination of employment during the incentive period.

Any loan to an executive under the GWA International Employee Share Plan, must be repaid in full upon the cessation of employment with the company.

### Remuneration Tables

#### → Emoluments of the Directors of GWA International Limited

Non-Executive Directors	Salary and Leave Entitlements \$	Incentives		Other Benefits \$	Superannuation \$	Termination Payments \$	Total \$	Proportion of Emoluments Performance Related %
		1 Year Plan \$	3 Year Plan \$					
B Thornton	159,080	-	-	250	95,980	-	255,310	-
J J Kennedy	127,327	-	-	250	3,603	-	131,180	-
D R Barry	82,680	-	-	250	7,441	-	90,371	-
R M Anderson	78,000	-	-	250	7,020	-	85,270	-
M D E Kriewaldt	93,600	-	-	250	8,424	-	102,274	-
G J McGrath	82,290	-	-	250	7,371	-	89,911	-
<b>Executive Director</b>								
P Crowley	877,263	332,500	190,000	192,749	36,000	-	1,628,512	32.1

#### → Emoluments of the Five Most Highly Paid Executives of the Company and the Consolidated Entity

Executives	Salary and Leave Entitlements \$	Incentives		Other Benefits \$	Superannuation \$	Termination Payments \$	Total \$	Proportion of Emoluments Performance Related %
		1 Year Plan \$	3 Year Plan \$					
E Harrison Chief Financial Officer	425,251	105,819	70,546	87,713	-	-	689,329	25.6
S Wright Group Operations Manager	383,747	106,418	70,945	84,367	35,472	-	680,949	26.0
C Bizon General Manager, Caroma	134,551	-	-	86,399	14,500	300,000	535,450	-
D Duncan General Manager, Dorf Clark	246,785	62,500	50,000	115,046	44,567	-	518,898	21.7
G Oliver General Manager, Gainsborough	180,207	71,258	47,505	58,518	119,110	-	476,598	24.9

**Directors' Emoluments:** During the 2004/05 year, Mr Jim Kennedy, Mr Martin Kriewaldt and Mr Robert Anderson were paid their accrued entitlements under the former Directors' Retirement Scheme, pursuant to a resolution of shareholders at the Annual General Meeting on 28 October 2004. The total payments made during the year were \$582,750.

**Incentives:** The incentives for the Executive Director and executives are based on their entitlements under the yearly and three year Executive Incentive Scheme.

**Other Benefits:** Other benefits for the Executive Director and executives include the provision of fringe benefits including motor vehicles, loans under the Employee Share Plan, insurances and applicable fringe benefits tax.

**Vesting of Incentives:** The incentives for the Executive Director and executives under the yearly Executive Incentive Scheme are fully vested in the 2004/05 year. No amount of the incentives for the Executive Director and executives under the three year Executive Incentive Scheme have vested in the 2004/05 year.

# DIRECTORS' REPORT

## → Directors' Meetings

The number of meetings of directors (including meetings of Committees of directors) held during the financial year ended 30 June 2005 and the number of meetings attended by each director were as follows:

	Directors' Meetings	Meetings of Committees		
		Audit	Remuneration	Nomination
<b>Number of Meetings held:</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>1</b>
<b>Number of Meetings attended:</b>				
B Thornton	10	3	-	1
J J Kennedy	10	3	-	1
P C Crowley	10	-	-	-
D R Barry	10	-	3	-
R M Anderson	10	-	-	-
M D E Kriewaldt	10	3	3	1
G J McGrath	10	-	3	-

Mr B Thornton retired as a member of the Remuneration Committee on 3 August 2004. The Board appointed Mr G J McGrath as the replacement member on the Committee.

As at the date of this report, the company had an Audit Committee, a Remuneration Committee and a Nomination Committee of the Board of Directors. The charter for each Committee outlines its role and responsibilities, a summary of which is provided in the Corporate Governance Statement on page 15 of the Annual Report.

The members of the Audit Committee are Mr J J Kennedy (Chairman), Mr B Thornton and Mr M D E Kriewaldt

The members of the Remuneration Committee are Mr M D E Kriewaldt (Chairman), Mr G J McGrath and Mr D R Barry

The members of the Nomination Committee are Mr B Thornton (Chairman), Mr J J Kennedy and Mr M D E Kriewaldt

Details of the Committee members qualifications and experience are located on page 14 of the Annual Report.

## → Non-Audit Services

Details of the non-audit services provided by the company's External Auditor, KPMG, during the financial year ended 30 June 2005 are outlined in Note 22 of the Financial Statements. Based on advice from the company's Audit Committee, the directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations*

*Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

## → Auditor Independence Declaration

The directors received the following declaration from the company's External Auditor, KPMG.

## → Rounding

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities Investment Commission relating to the rounding of amounts in the Directors' Report.

Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.



**B Thornton**  
Chairman



**P C Crowley**

Managing Director  
Brisbane, 16 August 2005

## Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*


To the directors of  
GWA International Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Trent van Veen  
16 August 2005



# OTHER STATUTORY INFORMATION

As at 15 August 2005

## Statement of shareholding

In accordance with the Australian Stock Exchange Listing Rules, the directors state that, as at 15 August 2005, the share capital in the company was held as follows:-

Range	Ordinary Shareholders	Ordinary Shares	%
1 - 1,000	1,684	1,161,064	0.4
1,001 - 5,000	7,729	23,632,504	8.5
5,001 - 10,000	3,841	29,036,945	10.4
10,001 - 100,000	2,240	47,746,510	17.2
100,001 and over	116	176,725,972	63.5
<b>Total</b>	<b>15,610</b>	<b>278,302,995</b>	<b>100.0</b>

The number of shareholders with less than a marketable parcel of shares is 150.

## Voting rights

The voting rights attached to shares are as set out in clause 10.20 of the company's Constitution. Subject to that clause, at General Meetings of the company:

1. On a show of hands, every person present as a member, proxy, attorney or representative of a member has one vote; and
2. On a poll, every person present as a member, proxy, attorney or representative of a member, has one vote for each fully paid share.

## Substantial shareholders

The following information is extracted from the company's register of substantial shareholders as at 15 August 2005:

Shareholder	Number of Shares	% of Shares on Issue
Perpetual Trustees Australia Limited	15,213,489	5.47
HGT Investments Pty Ltd	14,448,152	5.19

## 20 Largest shareholders as at 15 August 2005

Shareholder	Number of Shares	% of Shares on Issue
HGT Investments Pty Ltd	14,448,152	5.19
JP Morgan Nominees Australia Limited	13,714,891	4.93
National Nominees Limited	11,603,119	4.17
Erand Pty Ltd	9,898,229	3.56
KFA Investments Pty Ltd	9,863,817	3.54
CJZ Investments Pty Ltd	9,700,651	3.49
JMB Investments Pty Ltd	8,800,425	3.16
Ashberg Pty Ltd	8,198,000	2.95
Theme (No 3) Pty Ltd	7,201,160	2.59
Australian Foundation Investment Company Limited	6,612,136	2.38
RBC Global Services Australia Nominees Pty Limited (BKCUST A/C)	6,269,738	2.25
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	5,643,325	2.03
ITA Investments Pty Ltd	5,152,338	1.85
Westpac Custodian Nominees Limited	4,902,481	1.76
Mr Barry Thornton and Mr Chris Hamlin (The Sharp Family A/C)	4,740,033	1.70
Citicorp Nominees Pty Limited	4,384,572	1.58
Dabary Investments Pty Ltd	3,398,961	1.22
Mr Michael John McFadyen	2,797,520	1.01
ANZ Nominees Limited (Cash Income A/C)	2,595,039	0.93
Harvest Home Holdings Pty Ltd	2,586,416	0.93
<b>Total</b>	<b>142,511,003</b>	<b>51.21</b>

# SHAREHOLDER INFORMATION

## Annual General Meeting

The Annual General Meeting of GWA International Limited will be held in The Grand Ballroom, Stamford Plaza Brisbane, Cnr Edward and Margaret Streets Brisbane on Thursday 27 October 2005 commencing at 10:30 am. A Notice of Annual General Meeting and Proxy Form are enclosed with the Annual Report.

## Shareholder enquiries

Shareholders with enquiries about their shareholding or dividend payments should contact the company's share registry, Computershare Investor Services Pty Ltd, on 1300 552 270 or write to GPO Box 523 Brisbane Queensland Australia 4001.

## Change of address

Shareholders who have changed their address should immediately notify the company's share registry in writing.

## Consolidation of shareholdings

Shareholders who wish to consolidate their separate shareholdings into one holding should notify the company's share registry in writing.

## Annual Reports

If shareholders do not wish to continue receiving the Annual Report, please notify the company's share registry in writing. Shareholders will still be sent the Notice of Meeting. The latest Annual Report can be accessed from the company's website at [www.gwail.com.au](http://www.gwail.com.au).

## Dividends

Dividends are determined by the Board, having regard to the financial circumstances of the company.

The final ordinary dividend of 8.0 cents per share, and the special dividend of 2.0 cents per share will be paid on 3 October 2005. The dividends will be 100% franked for Australian tax purposes at the corporate tax rate of 30%.

## Direct credit of dividends

Dividends may be paid directly to a bank, building society or credit union account in Australia. Payments are electronically credited on the dividend payment date and confirmed by an advice mailed to shareholders on that date.

To ensure the prompt receipt of dividends, the company encourages shareholders to provide direct credit instructions. Direct credit application forms can be obtained from the company's share registry.

## Dividend Reinvestment Plan and Share Purchase Plan

Both Plans were suspended on 8 February 2000. Past support from shareholders has provided sufficient funds to meet the growth needs of the company. Directors keep this position under review.

## Stock exchange listing

The company's shares are listed on the Australian Stock Exchange under the ASX code: GWT. Details of the trading activity of the company's shares are published in most daily newspapers, generally under the abbreviation GWA Intl.

## Shareholder timetable 2005

30 June	Financial year end
16 August	Year end result and final dividend announcement
16 September	Record date for determining final dividend entitlement
23 September	Notice of Annual General Meeting, Proxy Form and Annual Report mailed to shareholders
3 October	Final ordinary dividend and special dividend paid
25 October	Proxy returns close 10:30 am Brisbane
27 October	Annual General Meeting
31 December	Half year end

## Shareholder timetable 2006

7 February	Half year result and interim dividend announcement
30 June	Financial year end
26 October	Annual General Meeting
31 December	Half year end





# CORPORATE DIRECTORY

## HEAD OFFICE LOCATIONS

### → Directors

B Thornton, Chairman  
J J Kennedy, Deputy Chairman  
P C Crowley, Managing Director  
D R Barry, Non-Executive Director  
R M Anderson, Non-Executive Director  
M D E Kriewaldt, Non-Executive Director  
G J McGrath, Non-Executive Director

#### Company Secretary

R J Thornton, CA B Com (Acc) LLB (Hons) LLM

#### Chief Financial Officer

E J Harrison, CPA B Bus (Acc)

### → Registered Office

Level 14  
10 Market Street  
Brisbane QLD 4000  
AUSTRALIA

Telephone 61 7 3109 6000  
Facsimile 61 7 3236 0522  
Website [www.gwail.com.au](http://www.gwail.com.au)  
ASX code: GWT

### → Auditor

KPMG  
10 Shelley Street  
Sydney NSW 2000  
AUSTRALIA

Telephone 61 2 9335 7000  
Facsimile 61 2 9299 7077

### → Share Registry

Computershare Investor Services Pty Ltd  
Central Plaza One  
Level 27, 345 Queen Street  
Brisbane QLD 4000  
AUSTRALIA

GPO Box 523  
Brisbane QLD 4001  
AUSTRALIA

Telephone 1300 552 270  
Facsimile 61 7 3229 9860  
Website [www.computershare.com](http://www.computershare.com)

### → Group Bankers

BNP Paribas  
Citibank  
Commonwealth Bank of Australia  
National Australia Bank

### → GWA INTERNATIONAL LIMITED

Level 14  
10 Market Street  
Brisbane QLD 4000  
AUSTRALIA

Telephone 61 7 3109 6000  
Facsimile 61 7 3236 0522  
Website [www.gwail.com.au](http://www.gwail.com.au)

### → CAROMA INDUSTRIES LIMITED

Level 3, 159 Coronation Drive  
Milton QLD 4064  
AUSTRALIA

Telephone 61 7 3109 6000  
Facsimile 61 7 3217 5277  
Websites [www.caroma.com.au](http://www.caroma.com.au)  
[www.fowler.com.au](http://www.fowler.com.au)  
[www.starion-industries.com](http://www.starion-industries.com)  
[www.wisa-sanitair.com](http://www.wisa-sanitair.com)  
[www.stylus.com.au](http://www.stylus.com.au)

### → DORF CLARK INDUSTRIES LIMITED

194 Milperra Road  
Revesby NSW 2212  
AUSTRALIA

Telephone 61 2 9792 0100  
Facsimile 61 2 9773 3101  
Websites [www.dorf-clark.com.au](http://www.dorf-clark.com.au)

### → DUX MANUFACTURING LIMITED

Collins Road  
Moss Vale NSW 2577  
AUSTRALIA

Telephone 61 2 4868 0200  
Facsimile 61 2 4868 2014  
Website [www.dux.com.au](http://www.dux.com.au)

### → GAINSBOROUGH HARDWARE INDUSTRIES LIMITED

190 Whitehorse Road  
Blackburn VIC 3130  
AUSTRALIA

Telephone 61 3 9877 1555  
Facsimile 61 3 9894 1599  
Website [www.gainsboroughhardware.com.au](http://www.gainsboroughhardware.com.au)

### → ROVER MOWERS LIMITED

155 Fison Avenue West  
Eagle Farm QLD 4009  
AUSTRALIA

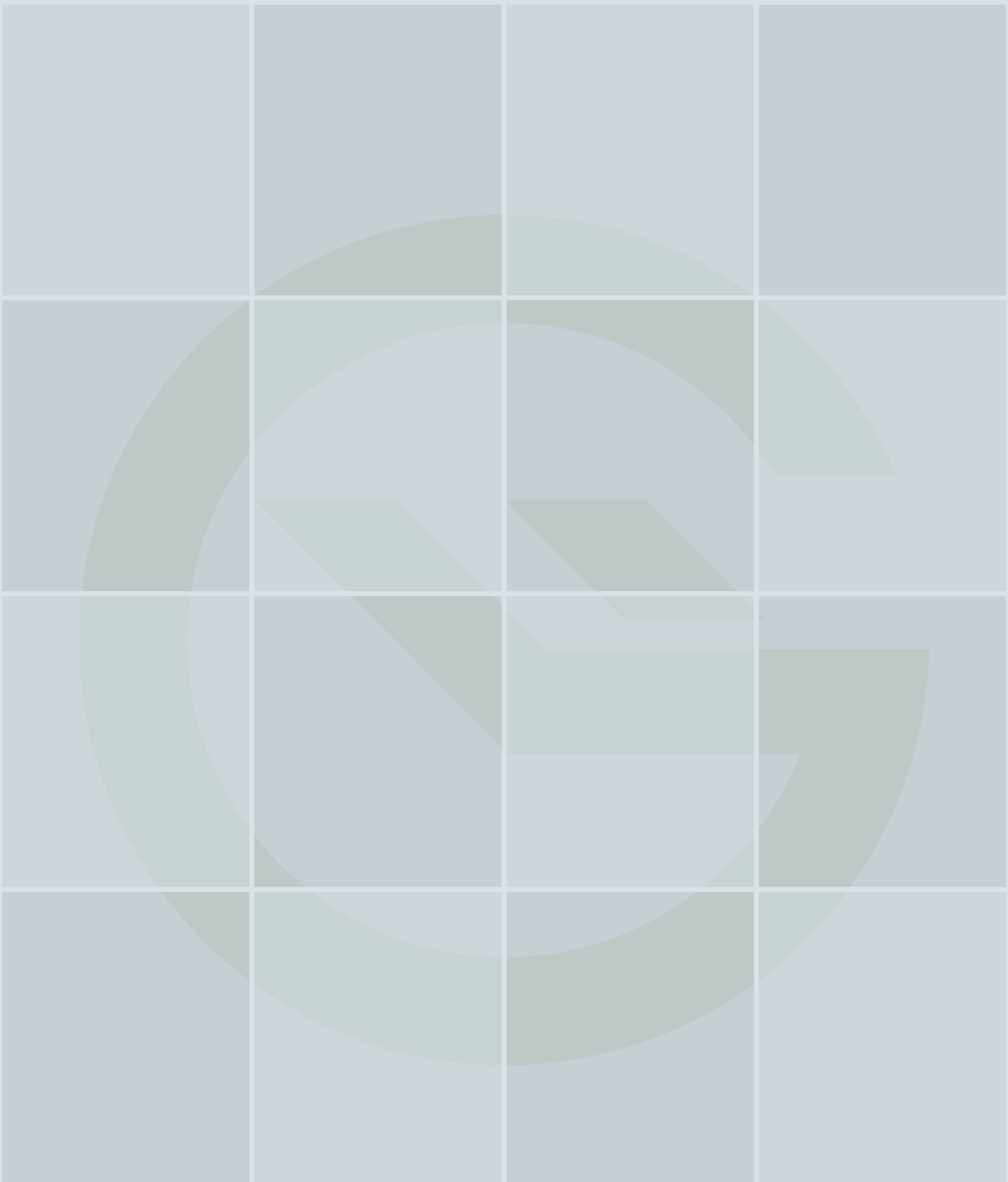
Telephone 61 7 3213 0222  
Facsimile 61 7 3868 1010  
Website [www.rovermowers.com.au](http://www.rovermowers.com.au)

### → SEBEL FURNITURE LIMITED

96 Canterbury Road  
Bankstown NSW 2200  
AUSTRALIA

Telephone 61 2 9780 2222  
Facsimile 61 2 9793 3152  
Website [www.sebel.com.au](http://www.sebel.com.au)

GWA INTERNATIONAL LIMITED



**GWA INTERNATIONAL LIMITED**

ABN 15 055 964 380

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Website: [www.gwail.com.au](http://www.gwail.com.au)