



GWA International Limited
ABN 15 055 964 380

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ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

GWA Signs Memorandum of Understanding for sale of Wisa Beheer

GWA advises that following a review of its business operations the decision has been reached to sell its Netherlands based sanitaryware business Wisa Beheer. As part of this sale process the Company has entered into a Memorandum of Understanding with the management of Wisa Beheer. Under this arrangement management have been granted an exclusive dealing period to purchase the business for Euro 14 million (A\$23 million).

The agreement is subject to management arranging a financial partner and will expire at the end of November 2008 at which time the sale of the business is expected to be complete.

Wisa is based in Arnhem, The Netherlands and was acquired by GWA in 1999.

GWA's Managing Director, Peter Crowley comments "Wisa was acquired as a strategic entry into Europe but since that time GWA has developed its global sourcing capabilities and is not looking to grow through a European manufacturing base. Following a strategic review we have decided to focus on our core skills and markets for growth".

The sale is \$8 million below book value which will be written off in the June 2008 accounts. Impact on 2008/09 earnings will be immaterial and cash will initially be used to reduce debt.

GWA's financial results for the 2007/08 year will be released to the market on 19 August 2008. The Company confirms its previous guidance to the market that trading Earnings Before Interest and Tax will slightly exceed the prior financial year. Net profit after tax will be reduced by restructuring expenses previously advised to the market and the abovementioned write-down in Wisa book value.

For Further Information call:

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