



WATTYL LIMITED
ABN 46 008 412 173

Level 4, 2 Burbank Place
Norwest Business Park
Baulkham Hills, NSW 2153
AUSTRALIA

Tel: +61 2 9813 3333
Fax: +61 2 9813 3344

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Announcement to Australian Securities Exchange

UNAUDITED results for the full year to 30 June 2010

ALL DOLLARS ARE IN AUD

Wattyl Limited ("Wattyl") today provided its unaudited financial results for the full year to 30 June 2010. Earnings before non-recurring items and before interest and tax (EBIT) was \$14.9m for the financial year to 30 June 2010 (2009: \$6.6m).

Profit after tax before non-recurring items was \$6.9m compared with \$0.0m for the prior year. After non-recurring items the Profit after tax was \$5.2m (2009: loss of \$1.5m). Included within non-recurring items is a charge of \$1.3m due to tax legislation changes in New Zealand. This adjustment is a one-off, non-cash accounting entry which recognises the removal of tax deductions for building depreciation from 1 July 2011 and has no impact on Wattyl's underlying operating profitability. Australian Accounting Standards require the impact to be recognised as at 30 June 2010.

Wattyl advises that it expects to release its audited full year financial results on 24 August 2010.

Results summary	30 June 2010 \$ million	30 June 2009 \$ million	Change %
Continuing operations – before non-recurring items			
Net Sales	386.5	381.4	1.3%
EBIT (earnings before interest and tax)	14.9	6.6	125.8%
Net Interest	(4.6)	(7.1)	(35.2%)
Profit / (Loss) before tax – before non-recurring items	10.3	(0.5)	n/a
Income tax (expense) / benefit	(3.4)	0.5	n/a
Profit after tax – before non-recurring items	6.9	0.0	n/a
Non-recurring items & discontinued operations (after tax)	(1.7)	(1.5)	13.3%
Profit / (Loss) after tax - statutory	5.2	(1.5)	n/a
Earnings per share (cents)	6.1	(1.7)	-

Statement of financial position as at 30 June	2010 \$ million	2009 \$ million
ASSETS		
Current assets		
Cash and cash equivalents	1.8	2.6
Trade and other receivables	49.1	47.7
Inventories	68.1	64.4
Current tax assets	-	0.1
Total current assets	119.0	114.8
Non-current assets		
Property, plant and equipment	77.9	81.3
Deferred tax assets	9.1	13.7
Intangible assets	20.1	20.1
Total non-current assets	107.1	115.1
Total assets	226.1	229.9
LIABILITIES		
Current liabilities		
Bank overdraft	-	1.2
Trade and other payables	49.8	43.3
Provisions	14.7	14.2
Total current liabilities	64.5	58.7
Non-current liabilities		
Borrowings	24.7	39.6
Deferred tax liabilities	6.7	6.6
Provisions	2.5	2.0
Retirement benefit obligations	0.3	1.6
Total non-current liabilities	34.2	49.8
Total liabilities	98.7	108.5
Net assets	127.4	121.4
EQUITY		
Contributed equity	146.9	146.9
Reserves	(2.2)	(1.9)
Retained profits	(17.3)	(23.6)
Total equity	127.4	121.4

Operating segment result	Australia \$ million	New Zealand \$ million	Continuing operations \$ million	Discontinued operations \$ million	Group \$ million
30 June 2010					
Net sales	346.4	40.1	386.5	-	386.5
EBIT before non-recurring items	12.7	2.2	14.9	-	14.9
EBIT after non-recurring items (1)	12.3	2.2	14.5	-	14.5
Non-recurring items before tax	(0.4)	-	(0.4)	-	(0.4)
Non-recurring items after tax	(0.4)	(1.3)	(1.7)	-	(1.7)
30 June 2009					
Net sales	340.6	40.8	381.4	-	381.4
EBIT before non-recurring items	4.8	1.8	6.6	-	6.6
EBIT after non-recurring items	(0.1)	0.9	0.8	1.5	2.3
Non-recurring items before tax	(4.9)	(0.9)	(5.8)	1.5	(4.3)
Non-recurring items after tax	(2.4)	(0.6)	(3.0)	1.5	(1.5)

1. "EBIT after non-recurring items" does not include the \$1.3m New Zealand tax charge included in non-recurring items on page 1

For further information, please contact:

Tony Dragicevich, Managing Director, WattyI Limited on (02) 8867 3301
Emmanuel Zammit, Chief Financial Officer, WattyI Limited on (02) 8867 3303