



Housewares International Ltd

ACN 086 933 431

ASX Release

Chairman's Address to Shareholders

Date of Annual General Meeting: 23 November 2004

Chairman: Mr F Jones

Good morning ladies and gentlemen,

I would like to comment on the Financial Reports and Consolidated Financial Statements and Reports of the Directors and Auditors for the financial year ended 30 June 2004.

Results

I am pleased to inform you that our profit after tax and amortisation of goodwill rose from \$20.9 million in 2003 to \$22.9 million in 2004, an improvement of 9%. Sales increased marginally from \$456 million to \$458 million.

New items for 2004 saw the acquisition and subsequent successful integration of the SABCO cleaning business with our Homewares division. Significant progress was also made with the launch of Breville appliances into the United States and Canada.

During 2004, the business generated \$20 million in operating cash flows, which was used for the purchase of the SABCO business and construction of our design centre in Botany, Sydney.

Dividends

The Company paid an interim dividend of 7 cents per share and a final dividend of 3.5 cents per share. Both were fully franked.

These payments are in line with the Directors' intention to pay dividends in the ratio of approximately 50% of after tax profits and represent a five percent increase over last year's dividend of ten cents per share.

Chairman's Address to Shareholders continued

Outlook

Trading for the first quarter is ahead of the prior year (2003) comparative, but as usual, the interim result will be dependent on the Christmas trading period.

Trading conditions for the second half are difficult to predict, given variables including the possibility of an interest rate rise and changes in levels of consumer confidence. If these external factors remain constant, your Board is confident that our growth initiatives will continue to deliver results in excess of prior year levels.

Trading conditions in North America are also difficult to predict, however, given the success of the Breville campaign in North America to date, we look forward to delivering incremental growth in the 2005 financial year.

Before turning to the formal business of the meeting, I will now hand over to the Managing Director, Mark Kirkby, who will present a brief overview of our current business strategy.

Thank you.