



Housewares International Ltd
A.B.N. 90 086 933 431

ASX Release

Chairman's Presentation to Shareholders

Date of Presentation: 17 November 2005
Chairman: Mr. W. Wavish

Ladies and gentlemen,

Thank-you for coming to Port Botany today so that we can demonstrate to you the design-led innovation and development we are now pursuing in both our Electrical and Homewares divisions.

My name is Bill Wavish, and I am Executive Chairman of Housewares for a short period whilst we implement and bed down major changes to the way we conduct our business.

We have set out in our latest annual report, in some detail, the core of our new approach to our business. In many ways this has been the approach of our Electrical business for some time. Last April we announced that our Homewares business would be aligned with that approach. Our business focus will now be:

- Design and innovation led in Australia with International input
- Sourced in China to our specifications by a limited range of factory partners
- Globally branded
- Based on strong partner relationships with major retailers.

All that sounds fine in theory, but what does it mean in practice? Until the last few weeks we could not talk publicly about what initiatives were in the pipeline, or show you actual examples. We can now begin to do that, hence our meeting here today.

It is no coincidence that this meeting is at Botany in Sydney with both the Electrical and Homewares teams side by side. Today you will see the new "Breville Home" range for Myer that, for the first time, spans both the Electrical and the Homewares divisions. This product is now in Myer stores and is selling well. We are in discussions with other retailers in several countries which should allow us to leverage this development work internationally.

Chairman's presentation continued

This will be followed by the Arcosteel launch in the new year and that product will also be shown to you today. The distinctions between the product categories and divisions are greying, as brand and customer become key.

Whilst I will talk in more detail next week at our annual general meeting of the rapid progress we are making in these "Skywalker" changes announced 8 months ago in April, and initially expected to take 12 to 18 months, it is now clear that the changes and realignment of the Electrical and Homewares businesses will not take that long.

The Australian Homewares project is now about 2/3 complete, the smaller USA alignment will be complete next month, whilst the SABCO portion will take a little longer, as it did not start in earnest until September, it is now getting real traction.

Indeed we can now announce the bolt-on acquisition by SABCO of the Britette commercial cleaning supplies business as a part of SABCO's vigorous rebirth under Jeff Kelso.

In the USA our Electrical sales in Williams-Sonoma and Federated May are accelerating and an unexpected bone china order from Wal-Mart has pleasantly surprised us.

A key outcome of this global alignment of Electrical and Homewares, especially kitchenware, is that within two or three years, I would anticipate more than half our group profit coming from overseas.

The Australian retail market remains very tough and we will have our fingers crossed for the next six weeks for Christmas sell through. But today is an opportunity to allow a visual picture to show more to you than words are able, what the new Housewares International is already doing.

I will now ask Joe Hersch to say a few words to you before Richard Smiedt will take you through the products.