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

16 February 2007

ASX Announcement

HWI advises that:

1. HWI has received approaches from a number of parties indicating that they are interested in making an offer for the company. To date, no formal offers have been received and it is possible that no such offers will eventuate. The Board will keep shareholders advised of any developments as appropriate.

2. HWI has appointed UBS Investment Bank to assist it in dealing with these approaches.

3. The negotiations relating to the completion of a legally binding agreement with McPherson's Limited for the sale of HWI's Australian homewares division are proceeding. Gresham Advisory Partners are continuing to assist HWI in the finalisation of the sale of this division.

4. The half yearly report for the 6 months ended 31 December 2006 is currently being prepared and is intended for release on 28 February 2007.

5. The trading losses from the Australian homewares division for the 6 months ended 31 December 2006, as referred to in HWI's ASX Announcement of 30 January 2007, are currently anticipated to approximate $6M (net of tax). Accordingly, these losses will impact HWI's overall profit after tax for that 6 month period.

6. The asset write down of approximately $45M relating to the Australian homewares division, also as referred to in HWI's ASX Announcement of 30 January 2007, is required to be applied against HWI's distributable reserves as at 31 December 2006 and this will accordingly prevent the declaration of an interim dividend.

Contacts - Peter Scott/Michelle Jablko
UBS Investment Bank
Ph. (03) 9242 6100

- Craig Jensz, Executive Director
Gresham Advisory Partners
Ph. (03) 9334 0300 or 0400 634 979

Paul Milburn
Company Secretary
Housewares International Limited

Telephone: (+61 3) 8698 2800