



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

16 March 2007

## ASX Announcement

### Company Update

1. HWI is pleased to announce that agreements have now been entered into for the disposal of its Australian Homewares Division.

This process confirms the stated strategy of increasing the company's focus on its core international and electrical division, primarily through its key Breville brand.

2. The overall financial effect of these disposals is expected to approximate that of the transaction previously anticipated, as announced to the ASX on 30 January 2007 and 2 February 2007.

A formal Sale Agreement has been entered into today with Playcorp Group of Companies Pty Ltd ("Playcorp") for the sale of the Australian Homewares business (being the tabletop & kitchenware business).

A Heads of Agreement has been entered into for the sale of the Sabco brushware and cleaning business and a \$1million deposit has been received. It is anticipated that a formal Sale Agreement for the Sabco sale will be entered into prior to the end of March 2007.

3. Net cash proceeds of approximately \$24million are anticipated, comprising receipts from the two purchasers and debtors, as well as payments to creditors and other transaction costs.

The total asset write-down will approximate the \$45million announced to the ASX on 16 February 2007, of which \$39.5million was accounted for in the company's 2006/7 financial half-year report.

4. The sale of the Australian Homewares business to Playcorp will require the approval of the company's shareholders pursuant to ASX Listing Rule 10.1. This shareholders meeting is likely to be held in early May 2007 and shareholders will be provided with an Explanatory Memorandum and an Independent Expert's Report, together with the Notice of Meeting. The sale to Playcorp is, subject to the approval of the company's shareholders, effective as from today.



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5. The Board will continue to keep shareholders advised of any developments, as appropriate, in relation to approaches that have been made by a number of parties indicating that they are interested in making an offer for the Company.

For further information, please contact:

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A handwritten signature in black ink, appearing to read 'Paul Milburn', written in a cursive style.

Paul Milburn  
Company Secretary  
Housewares International Limited

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