

HOUSEWARES INTERNATIONAL



**GROUP REPORT FOR THE
SIX MONTHS ENDED 31
DECEMBER 2005**



FINANCIAL RESULTS SUMMARY

Year ended	Dec 2005 (A\$M)	Dec 2004 (A\$M)	Change
Sales	236.2	240.4	(1.7%)
Gross Profit	62.5	69.6	(10.2%)
(% to sales)	26.5%	28.9%	
Underlying EBITDA	25.1	30.6	
(% to sales)	10.6%	12.7%	
Underlying net profit after tax	14.2	18.0	(21.1%)
(% to sales)	6.0%	7.5%	
Significant items Tax effected) (Note 1)	(2.5)	(0.5)	
Net Profit after Tax	11.7	17.5	(33.3)%
Underlying earnings per share (cents)	11.71	15.27	
Basic earnings per share (cents)	9.66	14.86	
Dividend per share (cents)	9.5	9.5	

BALANCE SHEET AT 31 DECEMBER 2005

	Dec 2005 (A\$M)	Dec 2004 (A\$M)
Inventories	96.8	96.5
Receivables	113.0	116.6
Payables & Provisions	(59.6)	(48.5)
WORKING CAPITAL	150.2	164.6
Fixed Assets	11.2	10.7
Intangibles	80.5	75.6
Investments	8.9	7.8
Other (NET)	6.9	1.9
FUNDS EMPLOYED	257.7	260.6
Debt (NET)	92.6	96.6
Shareholder Funds	165.1	164.0
Gearing	35.9%	37.1%

SALES

	DEC 2005		DEC 2004		Movement
	\$A MIL	% Share	\$A MIL	% Share	
ELECTRICAL					
Australia	116.6	49.4%	122.7	51.0%	-5.0%
Overseas	56.0	23.7%	40.9	17.0%	+36.9%
TOTAL	172.6	73.1%	163.6	68.0%	+5.5%
HOMEWARES					
Australia	39.7	16.8%	55.7	23.2%	-28.7%
Overseas	23.9	10.1%	21.1	8.8%	+13.3%
TOTAL	63.6	26.9%	76.8	32.0%	-17.2%
GROUP					
Australia	156.3	66.2%	178.4	74.2%	-12.4%
Overseas	79.9	33.8%	62.0	25.8%	+28.9%
TOTAL	236.2	100.0%	240.4	100%	-1.7%

UNDERLYING PROFIT AFTER TAX

5

	DEC 2005		DEC 2004		Movement \$AMIL
	\$A MIL	% Share	\$A MIL	% Share	
BY SUB-SEGMENT SPLIT					
Electrical	14.7	104%	15.1	84%	(0.4)
Homewares	0.9	6%	5.5	31%	(4.6)
TOTAL	15.6	110%	20.6	114%	(5.0)
Less Corporate	(1.4)	(10%)	(2.6)	(14%)	1.3
Underlying PAT	14.2	100%	18.0	100%	(4.8)
BY GEOGRAPHIC SPLIT					
Australia	8.6	61%	15.6	86%	(7.0)
Overseas	7.0	49%	5.0	28%	2.0
TOTAL	15.6	110%	20.6	114%	(5.0)
Less Corporate	(1.4)	(10%)	(2.6)	(14%)	1.2
Underlying PAT	14.2	100%	18.0	100%	(3.8)

ELECTRICAL AUSTRALIA COMMENTARY

- **Sales down 5% (price entry) –slow retail**
- **Breville strong Christmas sell through**
- **Category leader in juicing and coffee**
- **Senseo 10% coffee share**

ELECTRICAL OVERSEAS COMMENTARY

7

New Zealand

- **Flat- slowed in December**
- **Tight low cost business model**

Export Sales

- **Strong growth**

ELECTRICAL OVERSEAS COMMENTARY

USA

- **Breville growing strongly**
- **Breville 800ES voted best in category “cooking electrics”**
- **New product releases at Chicago (March)**

Canada

- **Growing strongly**
- **12% brand recognition**

HOMEWARES AUSTRALIA COMMENTARY

- **Integration into electrical will be complete by June 30**
- **Design led business**
 - **Breville Home**
 - **Arcosteel**
 - **Alex Liddy bone china**
- **SABCO revitalised**
 - **Sales expected to double second half**

HOMEWARES OVERSEAS COMMENTARY

- **Sales base re-established**
- **Strong sales expected second half**
 - **Wal Mart**
 - **Albertsons**

FUTURE OUTLOOK

- **Restructure initiatives on track**
- **Second half sales expected to grow double digit**
- **International sales now 34% will increase**
- **Full year anticipated underlying profit reconfirmed at 20.5m – 22.5m**
- **Dividend maintained**

QUESTIONS?

HOUSEWARES INTERNATIONAL

