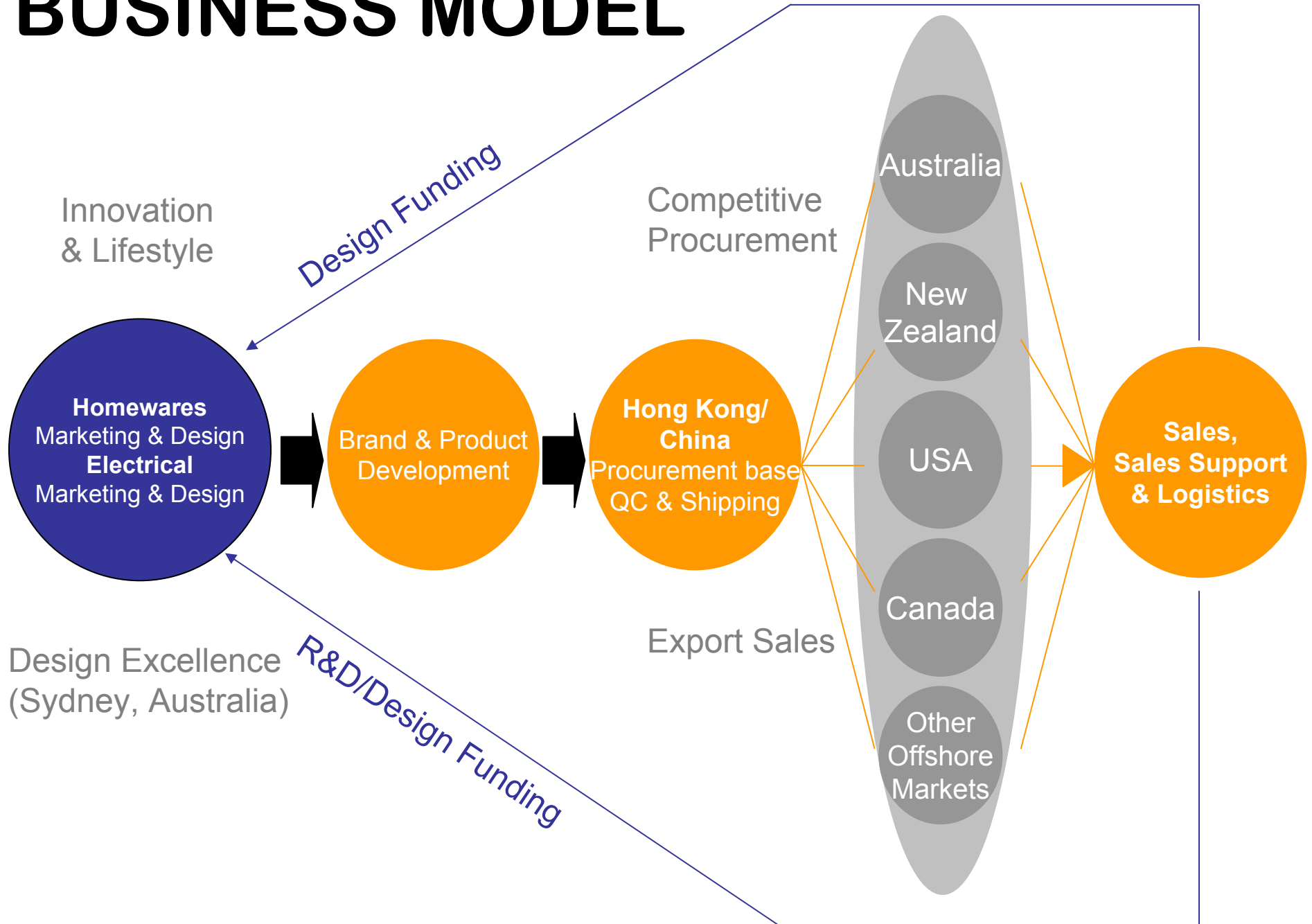




ANNUAL GENERAL MEETING

2004

BUSINESS MODEL



OUR MARKET

Electrical



Breville

KAMBROOK

RONSON

GOLDAIR

Kitchenware



Baccarat

ARCOSTEEL

Pronto!



Tabletop



alex liddy

forum

Mayfair & Jackson

Cleaning



sabco

Agency



PHILIPS



LEIFHEIT

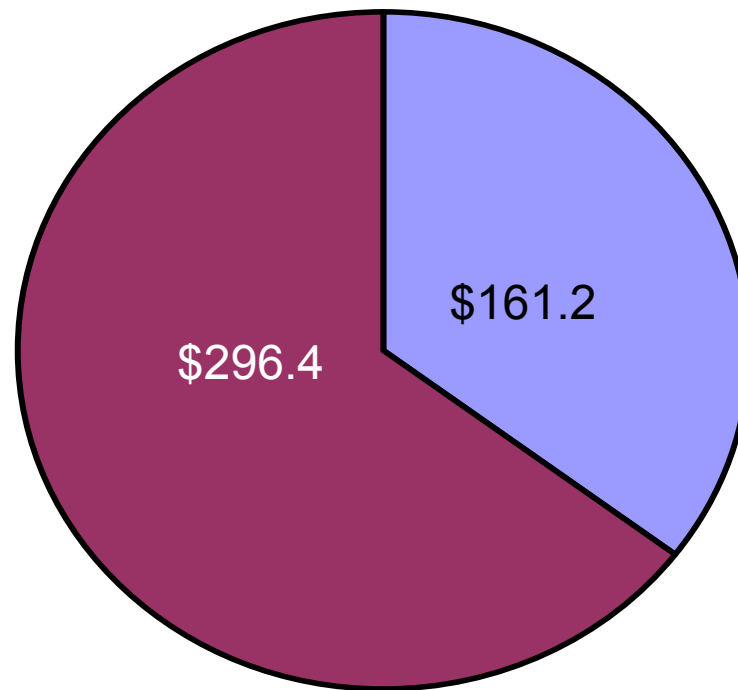
Peg-Pérego

SOEHNLE



UNDERSTANDING OUR GROUP

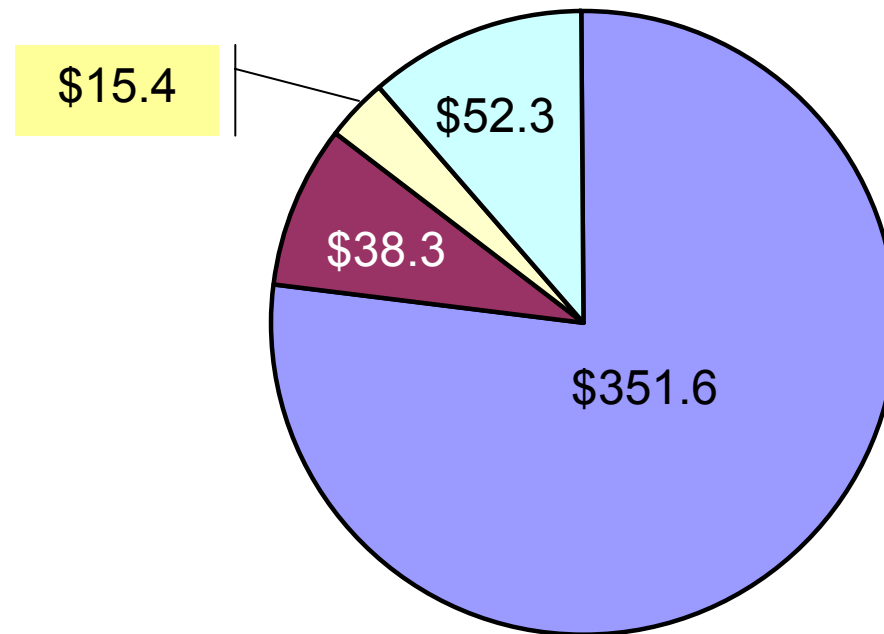
GLOBAL SALES (AUD \$MIL)



■ HOMEWARES ■ ELECTRICAL

UNDERSTANDING OUR GROUP

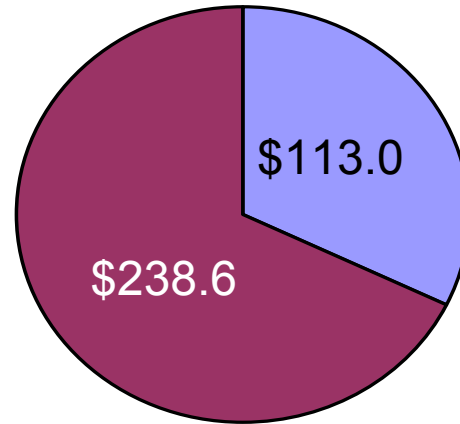
GEOGRAPHIC SALES (AUD \$MIL)



■ AUSTRALIA ■ NEW ZEALAND ■ HONG KONG ■ USA

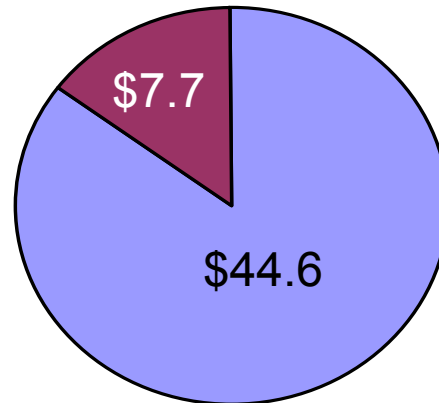
OUR GLOBAL BUSINESS

AUSTRALIA SALES (AUD \$MIL)



■ HOMEWARES ■ ELECTRICAL

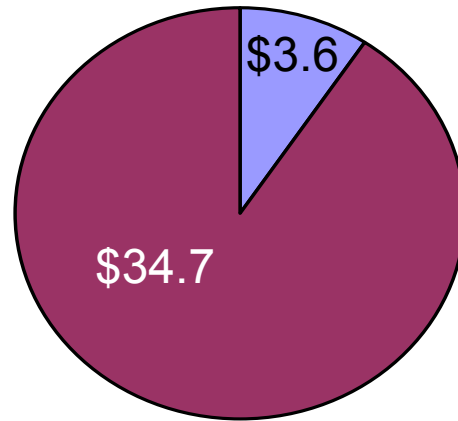
USA SALES (AUD \$MIL)



■ HOMEWARES ■ ELECTRICAL

OUR GLOBAL BUSINESS

NEW ZEALAND SALES (AUD \$MIL)



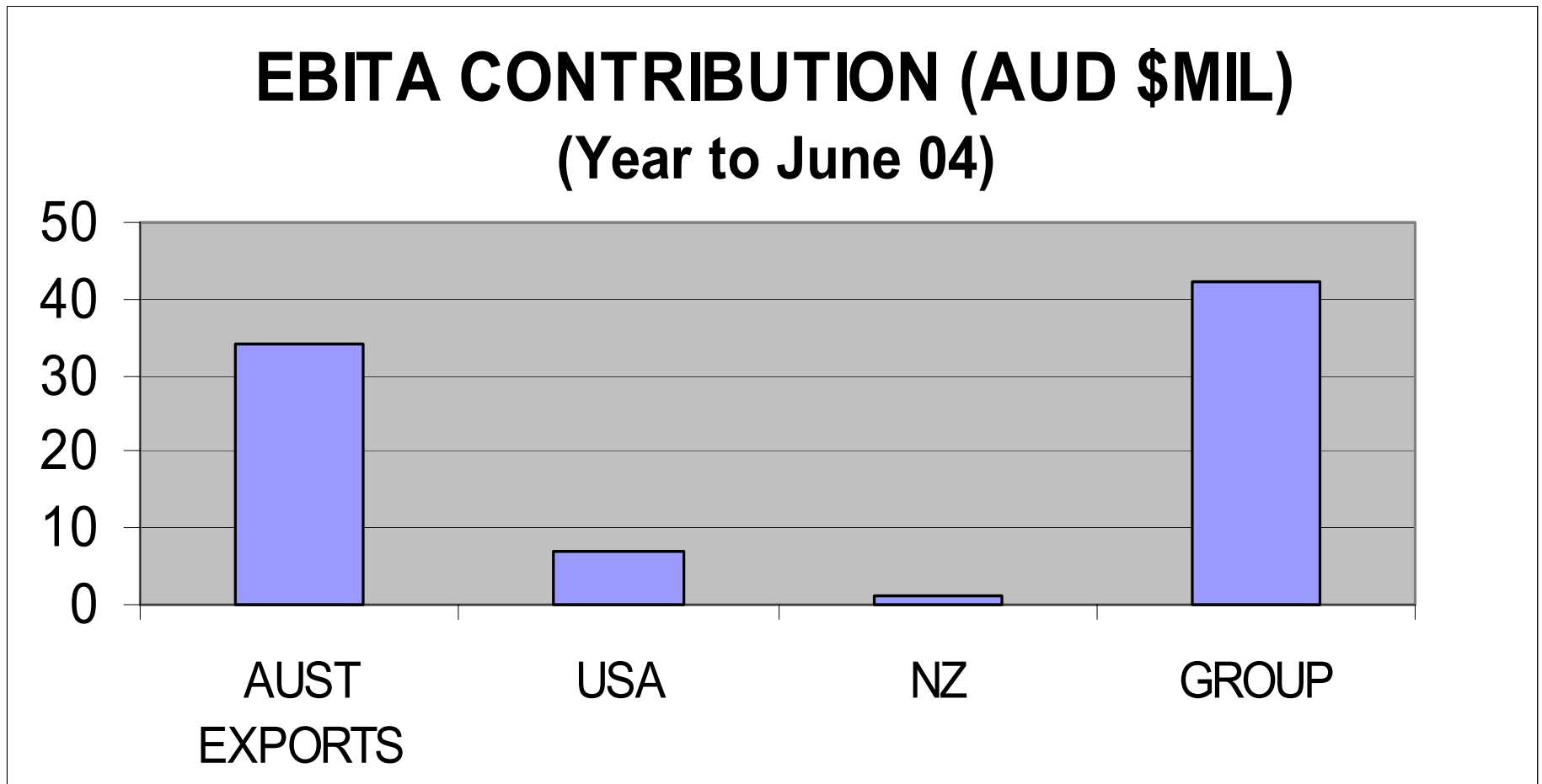
■ HOMEWARES ■ ELECTRICAL

INTERNATIONAL EXPORT SALES (AUD \$MIL)

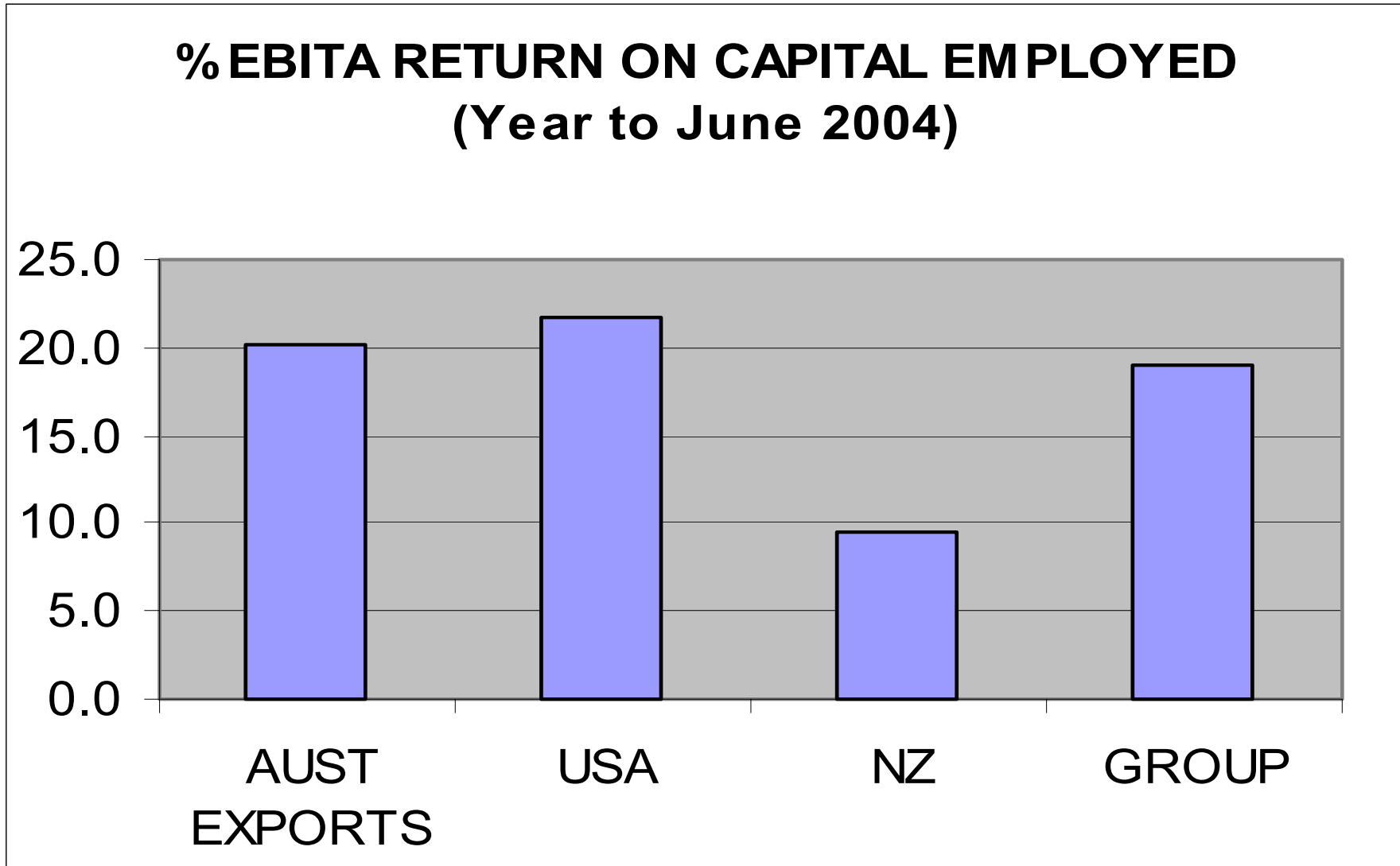


■ ELECTRICAL

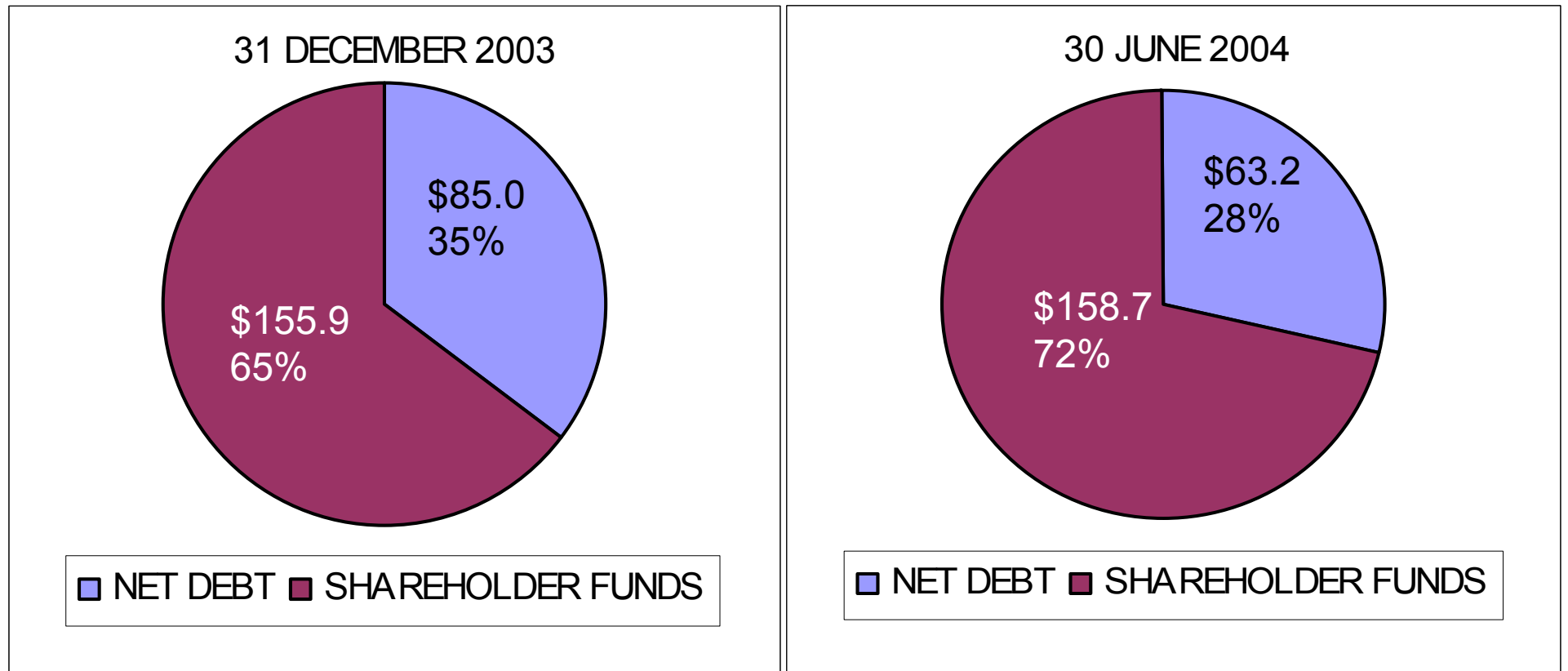
EBITA CONTRIBUTION



RETURN ON CAPITAL EMPLOYED



CAPITAL EMPLOYED (AUD \$MIL)



- 1) CURRENT DIVIDEND PAYOUT RATIO IS 50% PROFIT AFTER TAX WITH BALANCE RE-INVESTED AT 19% RETURN ON CAPITAL EMPLOYED TO DRIVE EARNINGS GROWTH
- 2) BOARD IS CURRENTLY REVIEWING THE CONTINUATION OF THE DIVIDEND REINVESTMENT PLAN.

STRATEGY - ELECTRICAL

Our electrical offer is based on a Good, Better, Best proposition:

- “Breville” designed products together with “Philips” represent our “Best” offer
- “Kambrook” as our “Value offer” represents “Better” and “Ronson” represents “Good” price entry promotional offers

“Breville” is committed to New Product development, which is inherent in the culture of the company. The 800 Class is an example of “Best of Class” product that “Breville” is capable of bringing to market.

STRATEGY – ELECTRICAL CONT.

Our North American and International Sales growth is clearly dependent on the success of our Breville “Best of Class” product development.

- We are pleased to advise that we are making good progress in our North American and International expansion.
- Our North American sales will more than double this year.
- Our International business is also continuing to grow strongly.
- By Christmas “Breville” branded products will be on offer in around 2500 United States and 1000 Canadian shopfronts.



STRATEGY - ELECTRICAL CONT.

Our Philips “DAP” business is strong and is expected to continue to grow over the next year with the introduction of additional categories.

Growing the top line in Australia has been challenging due to increased competition and retailer driven direct import programs.

Our New Zealand business is strong and performing very well in a very competitive market.



STRATEGY - HOMEWARES

- Restructure was geared towards meeting market demands through the introduction of a “marketing push” business model, eliminating unprofitable product categories and delivering more focused stock management to achieve higher stock turns.
- Infrastructure is being adjusted in tandem with restructure initiatives to deliver a more cost effective infrastructure.
- The restructure is complete with an ongoing commitment to the rationalisation of product ranges to secure a more profitable business mix for us and our retail customers. It is important to note that rationalisation results in a reduction in turnover but delivers improved return on sales and return on capital.

STRATEGY - HOMEWARES CONT.

- Metro's Homewares business is currently undergoing the same process with a view to deliver an improved return on sales result.
- Top line sales growth has been challenging due to price deflation and retailer driven direct import programs, particularly at the lower price points.
- SABCO is delivering quality turnover, to replace transient promotional turnover at the lowest price points, to drive profit improvement into the business.
- An office in Shanghai was opened to protect our supply chain and manage direct import opportunities for our retail customers.

STRATEGY - HOMEWARES CONT.

- Committed to a “good, better, best” strategy with innovation driving growth opportunities both locally and offshore and a flexible delivery arrangement around the “good” offering.
- The Homewares team has a passionate commitment to drive development and growth into the homewares business.