

**GROUP REPORT FOR SIX MONTHS
ENDED 31 DECEMBER 2003.**

Thinking outside the box.....

... and inside the home



alex liddy

 forum



Breville

KAMBROOK

RONSON

Baccarat

ARCOSTEEL



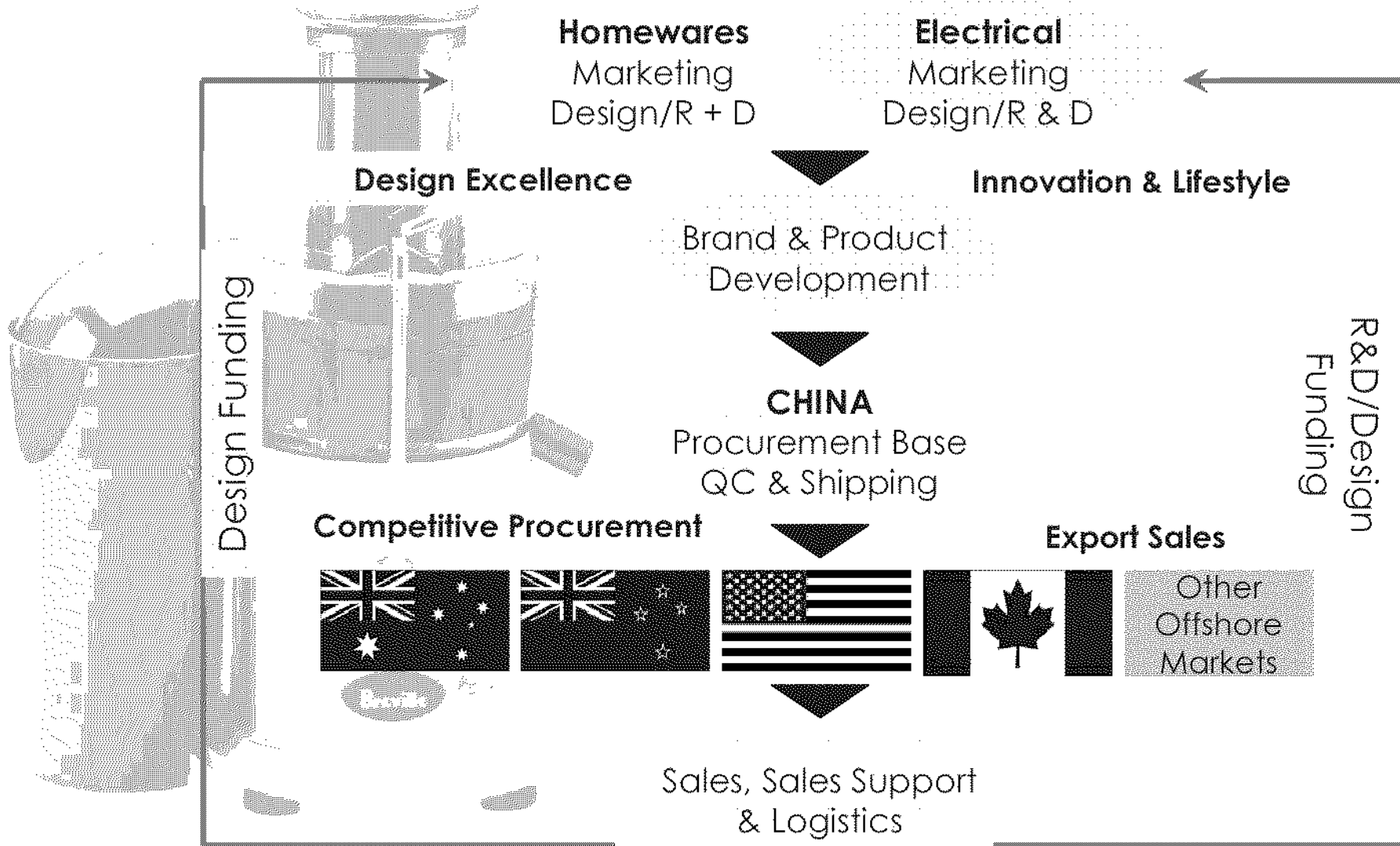


PHILIPS

SOEHNLE

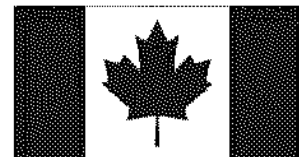
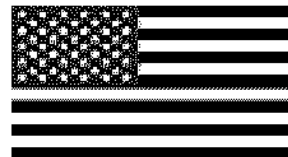
Peg-Pérego

... Internationally





GROUP RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2003



Financial Results Summary

A\$ MILLIONS	DECEMBER 03	DECEMBER 02	CHANGE
TOTAL REVENUES	262.5	267.4	-2%
EBITA	27.2	24.7	10%
AMORTISATION	0.8	0.7	
EBIT	26.4	24.0	10%
NET INTEREST	1.9	2.3	
NPBT	24.5	21.7	13%
TAX	8.2	7.3	
NPAT	16.3	14.4	13%

EARNINGS PER SHARE	14.1	12.8	10%
DIVIDEND PER SHARE	7.0	6.0	17%
PAY OUT RATIO	50%	47%	

DRP OPERATIVE FOR INTERIM DIVIDEND WITH A 2.5% DISCOUNT

Balance Sheet at 31 December 2003

A\$ MILLIONS	DECEMBER 03	DECEMBER 02
OTHER NON CURRENT ASSETS	26.1	22.5
INTANGIBLES	78.6	66.7
WORKING CAPITAL	136.3	141.9
- DEBTORS / PREPAYMENTS	117.0	111.3
- INVENTORY	79.6	87.3
- CREDITORS / PROVISIONS	-60.3	-56.7
CAPITAL EMPLOYED	240.9	231.1
- SHAREHOLDER FUNDS	155.9	146.5
- NET DEBT	85.0	84.6
OPERATING CASHFLOW (* Seasonal Peak)	-21.5	-31.9
DEBT TO CAPITAL EMPLOYED	35.3%	36.6%
EBITA / CAPITAL EMPLOYED _(1/2 Year)	11.3%	10.7%

Financial Highlights

- A 2% reduction in total revenues results from deflation of retail price points, the rise in the Australian dollar against the results of offshore subsidiaries denominated in foreign currency, and a strategy to avoid pursuing turnover that does not deliver the required level of profitability.
- Operating profits up 10% despite lower turnover, reflecting a commitment to manage operating margins and stronger export revenues.
- Lower interest bill plus improved operating margins delivers a 13% improvement in the Group's net profit after tax.

Financial Highlights

- Balance sheet remains strong, with increased debtors reflecting seasonal weighting towards Christmas sales.
- Operating cashflows for the six months are 33% stronger than the previous corresponding period. The negative trend in first half cashflows reflects an investment in debtors to support the seasonal trading peak.
- Inventories are lower, reflecting capital savings flowing from the decision not to pursue turnover that does not deliver the required level of profitability.

Financial Highlights

- Net debt includes \$17.3m funding for the Sabco Acquisition (capital plus working capital). Like for like, closing debt would have fallen from \$84.6m in December 2002 to \$67.7m in December 2003.
- Return on capital for the six months is up from 10.7% to 11.3% despite inclusion of Sabco capital against just 3 months of Sabco revenue.

Segment Report

		AUSTRALIA	NEW ZEALAND	NORTH AMERICA	HONG KONG	ELIMINATION	CONSOLIDATED
6M to Dec 03							
SEGMENT REVENUE	A\$	198.8	23.2	32.6	8.3	-0.6	262.3
	LOCAL CURRENCY	198.8	25.9	22.4	44.1		
SEGMENT EBIT	TOTAL A\$	18.6	1.3	4.6	2.3	-0.4	26.4
	INTER CO	0.6	0.6		-1.2		
	ADJUSTED	19.2	1.9	4.6	1.1	-0.4	26.4
	LOCAL CURRENCY	19.2	2.2	3.1	5.7		
6M to Dec 02							
SEGMENT REVENUE	A\$	198.2	25.4	36.4	8.0	-0.8	267.2
	LOCAL CURRENCY	198.2	28.5	20.0	34.3		
SEGMENT EBIT	TOTAL A\$	16.2	2.8	4.0	1.4	-0.4	24.0
	INTER CO	0.6			-0.6		
	ADJUSTED	16.8	2.8	4.0	0.8	-0.4	24.0
	LOCAL CURRENCY	16.8	3.1	2.2	3.2		

Regional Scoresheet

AUSTRALIA

- Marginal increase in sales reflects deflation in retail price points and strategy to focus on turnover that delivers the required rate of profitability.
- Focus on operational efficiencies, cost and working capital management, have delivered increased profits, with EBIT up from \$16.8m in 2002 to \$19.2m in 2003.
- The Electrical division has performed to expectation and continues to contribute significantly to the Group result.

Regional Scoresheet

- The Homewares division has delivered a subdued performance due to increased competition, direct import retail programs and the need to upgrade and refocus certain business processes.
- A number of business improvement initiatives are underway in the Homewares division aimed at improving business processes, profitability and reducing surplus capital employed.
- Current retail conditions remain challenging.
- The Sabco acquisition continues to deliver to plan with integration completed within budget and planned timeline.

Regional Scoresheet

NEW ZEALAND

- Maintained its market share in a challenging retail environment.
- Price deflation at the lower price points and competition from direct import programs on the Homewares side of the business has contributed towards the lower profit number for the first six months.
- Current retail conditions remain challenging.

Regional Scoresheet

NORTH AMERICA

- A pleasing result from Metro Marketing with local currency sales up 12% as product integration initiatives for Electrical and Homewares start to deliver revenues.
- Breville continues to move along its project timeline with retail tests starting to deliver firm orders and turnover. Breville now requires a focused marketing plan to convert retail interest into consumer demand.
- Strong focus on operational excellence and improved contributions from the Breville project have helped deliver an improved EBIT of US\$3.1m in 2003 compared to US\$2.2m for 2002.

Regional Scoresheet

HONG KONG

- Stronger export revenues have driven a stronger profit improvement with EBIT for 2003 at HK\$5.7m compared to HK\$3.2m for 2002.
- The Homewares division is currently establishing an office in China to manage procurement, logistics and QA and help drive export opportunities.