

# Breville

23 February 2012

Manager, Company Announcements,  
Australian Securities Exchange Limited,  
Level 4, 20 Bridge Street,  
Sydney NSW 2000

**Half Year Ended 31 December 2011  
Appendix 4D**

Attached is a copy of the Breville Group Limited Appendix 4D including Independent Review Report and Auditor's Independence Declaration for the Half Year Ended 31 December 2011.

Yours faithfully



Shiraz Khan  
Company Secretary  
Breville Group Limited

Telephone: (02) 9384 8100

## Breville Group Limited

ABN 90 086 933 431


### Appendix 4D – Half year report

Note: The numbering marked with [ ] within this half year report is consistent with the numbering used in the guidelines issued by the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3.

Current reporting period [1]: half year ended 31 December 2011  
Previous corresponding period [1]: half year ended 31 December 2010

### Results for announcement to the market

	Percentage change		to	Amount
	Up or down	%		A\$'000
<b>Total revenues [2.1]</b>	Down	0.9%		<b>233,599</b>
<b>Earnings before interest, tax, depreciation &amp; amortisation (EBITDA)</b>	Up	35.9%		<b>45,176</b>
<b>Earnings before interest and tax (EBIT)</b>	Up	40.1%		<b>41,841</b>
<b>Net profit after income tax for the half year attributable to members [2.2] [2.3]</b>	Up	40.7%		<b>29,386</b>
<b>Dividends [2.4]</b>	<b>Date paid / payable [5]</b>	<b>Amount per security [2.4]</b>	<b>Franked amount per security at 30% tax [2.4]</b>	<b>Amount per security of foreign source dividend [5]</b>
<b>Interim dividend</b>				
Current reporting period	5 APR 2012	12.5¢	12.5¢	0.0¢
Previous corresponding period	8 APR 2011	9.5¢	4.0¢	0.0¢
The record date for determining entitlements to the interim dividend [2.5]: 16 March 2012				
<b>Dividend reinvestment plan [6]</b>				
The dividend reinvestment plan will not be in operation for the current reporting period interim dividend.				
<b>Brief explanation [2.6]</b>				
Please refer to the commentary in the review of results and operations section of the directors' report.				
For further explanation please refer to the ASX report announcement accompanying this half year report.				

<b>Net tangible assets [3]</b>		
	<b>Current period</b>	Previous corresponding period
Net tangible assets per security	<b>82.76¢</b>	67.63 ¢
<b>Control gained or lost over entities [4]</b>		
The group has not gained or lost control of any entities during the half year ended 31 December 2011.		
<b>Total dividend paid / payable [5]</b>		
	<b>Current period</b>	Previous corresponding period
	<b>A\$'000</b>	A\$'000
Final dividend paid	<b>9,107</b>	6,476
<b>Associates and joint venture entities [7]</b>		
The group held no interests in associates or joint ventures during the half year ended 31 December 2011.		
<b>For foreign entities, which set of accounting standards are used in compiling the report [8]</b>		
Not applicable.		
<b>Compliance statement</b>		
The results for announcement to the market should be read in conjunction with the attached half year report for the half year ended 31 December 2011.		
No review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2011 [9].		
Sign here:		
		
	<hr/> Shiraz Khan Company secretary	
Date:	<hr/> 23 February 2012	

## Breville Group Limited

ABN 90 086 933 431

### Half year report

FOR THE HALF YEAR ENDED

31 December 2011

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## Corporate information

This half year report covers the consolidated entity comprising Breville Group Limited and its subsidiaries (company or group).

A description of the group's operations and of its principal activities is included in the review of results and operations and principal activities in the directors' report on page 5. The directors' report is unaudited and does not form part of the financial report.

### Directors

John Schmoll  
Non-executive chairman

Steven Fisher  
Non-executive director

Dean Howell  
Non-executive director

Steven Klein  
Non-executive director

Samuel Weiss  
Non-executive director

### Company secretary

Shiraz Khan

### Registered office and principal place of business

Building 2  
Port Air Industrial Estate  
1A Hale Street  
Botany NSW 2019  
Telephone: (+61 2) 9384 8100

### Company websites

[www.brevillegroup.com](http://www.brevillegroup.com)  
[www.breville.com](http://www.breville.com)  
[www.kambrook.com.au](http://www.kambrook.com.au)

### ABN

Breville Group Limited ABN 90 086 933 431

### Share register

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

Enquiries with Australia: (02) 8280 7111  
Enquiries outside Australia: (+61 2) 8280 7111  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Auditors

Ernst & Young  
680 George Street  
Sydney NSW 2000

### Solicitors

Arnold Bloch Leibler  
333 Collins Street  
Melbourne Victoria 3000

### Bankers

Australia and New Zealand Banking Group Limited  
20 Martin Place  
Sydney NSW 2000

## Directors' report

The board of directors of Breville Group Limited has pleasure in submitting its report in respect of the financial half year ended 31 December 2011.

### Directors

The names of the company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

John Schmoll	Non-executive chairman
Steven Fisher	Non-executive director
Dean Howell	Non-executive director
Steven Klein	Non-executive director
Samuel Weiss	Non-executive director

### Review of results and operations

Revenues of the consolidated entity for the half year to 31 December 2011 were \$233,599,000 which was down 0.9% from the revenues for the previous corresponding half year (2010: \$235,682,000).

The group's profit after tax attributable to shareholders for the half year to 31 December 2011 was \$29,386,000. This was up 40.7% on the previous corresponding half year result of \$20,886,000.

The basic earnings per share for the consolidated entity was 22.59 cents per share (2010: 16.12 cents per share).

### Principal activities

During the half year, the principal activities of the consolidated entity were the innovation, development, marketing and distribution of small electrical appliances in the consumer products industry. The consolidated entity operated in the principal markets of Australia, the United States of America, Canada, New Zealand and Hong Kong.

### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC class order 98/100. The company is an entity to which the class order applies.

### Auditor's independence declaration

Attached on page 20 is a copy of the auditor's declaration provided under section 307C of the Corporations Act 2001 in relation to the review for the half year ended 31 December 2011. This auditor's declaration forms part of this directors' report.

Signed in accordance with a resolution of the directors.



John Schmoll  
Non-executive chairman

Sydney  
23 February 2012

## Statement of comprehensive income

for the half year ended 31 December 2011

	Half year ended 31 Dec 2011 \$'000	Half year ended 31 Dec 2010 \$'000
Revenue	233,599	235,682
Cost of sales	(143,107)	(151,954)
<b>Gross profit</b>	<b>90,492</b>	<b>83,728</b>
Other income	91	143
Employee benefits expenses	(24,237)	(25,005)
Premises, lease & utilities expenses	(5,655)	(5,266)
Onerous lease expense	-	(5,366)
Advertising expenses	(9,121)	(8,121)
Other expenses	(6,394)	(6,875)
<b>Earnings before interest, tax, depreciation &amp; amortisation (EBITDA)</b>	<b>45,176</b>	<b>33,238</b>
Depreciation & amortisation expenses	(3,335)	(3,380)
<b>Earnings before interest and tax (EBIT)</b>	<b>41,841</b>	<b>29,858</b>
Finance costs	(443)	(920)
<b>Profit before income tax</b>	<b>41,398</b>	<b>28,938</b>
Income tax expense	(12,012)	(8,052)
<b>Net profit after income tax for the half year attributable to members of Breville Group Limited</b>	<b>29,386</b>	<b>20,886</b>
<b>Other comprehensive income/(loss)</b>		
Foreign currency translation differences for foreign operations	791	(4,457)
Net change in fair value of cash flow hedges	2,910	(6,179)
Income tax on other comprehensive income/(loss)	(867)	1,711
<b>Other comprehensive income/(loss) for the half year, net of income tax</b>	<b>2,834</b>	<b>(8,925)</b>
<b>Total comprehensive income for the half year attributable to members of Breville Group Limited</b>	<b>32,220</b>	<b>11,961</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent entity:</b>		
- basic earnings per share	22.59	16.12
- diluted earnings per share	22.59	16.10

The accompanying notes form an integral part of this statement of comprehensive income.

## Statement of financial position

as at 31 December 2011

	Note	31 Dec 2011 \$'000	30 June 2011 \$'000	31 Dec 2010 \$'000
<b>Current assets</b>				
Cash and cash equivalents	3, 6	31,655	27,768	10,354
Trade and other receivables		128,620	67,272	108,177
Inventories		58,777	57,870	61,269
Other financial assets		421	21	1
Current tax assets		113	1,678	35
Other assets		1,028	1,504	1,011
<b>Total current assets</b>		<b>220,614</b>	<b>156,113</b>	<b>180,847</b>
<b>Non-current assets</b>				
Plant and equipment	4	3,990	5,096	6,294
Deferred tax assets		11,865	11,966	13,411
Intangible assets – other	5	44,968	45,417	44,277
Intangible assets – goodwill		24,558	24,558	24,558
<b>Total non-current assets</b>		<b>85,381</b>	<b>87,037</b>	<b>88,540</b>
<b>Total assets</b>		<b>305,995</b>	<b>243,150</b>	<b>269,387</b>
<b>Current liabilities</b>				
Trade and other payables		91,505	59,084	66,135
Borrowings	6	7,919	242	14,900
Current tax liabilities		7,884	6,735	6,702
Provisions		6,761	5,921	6,434
Other financial liabilities		146	2,896	3,884
<b>Total current liabilities</b>		<b>114,215</b>	<b>74,878</b>	<b>98,055</b>
<b>Non-current liabilities</b>				
Borrowings	6	182	194	224
Deferred tax liabilities		6,132	6,372	5,913
Provisions		8,274	8,128	8,703
<b>Total non-current liabilities</b>		<b>14,588</b>	<b>14,694</b>	<b>14,840</b>
<b>Total liabilities</b>		<b>128,803</b>	<b>89,572</b>	<b>112,895</b>
<b>Net assets</b>		<b>177,192</b>	<b>153,578</b>	<b>156,492</b>
<b>Equity</b>				
Issued capital	7	140,050	135,642	138,154
Reserves		(15,959)	(14,886)	(15,948)
Retained earnings		53,101	32,822	34,286
<b>Total equity</b>		<b>177,192</b>	<b>153,578</b>	<b>156,492</b>

The accompanying notes form an integral part of this statement of financial position.



## Cash flow statement

for the half year ended 31 December 2011

	Note	Half year ended 31 Dec 2011 \$'000	Half year ended 31 Dec 2010 \$'000
<b>Cash flows from/(used in) operating activities</b>			
Receipts from customers		194,427	211,002
Payments to suppliers and employees		(177,754)	(211,666)
Finance costs paid		(893)	(1,354)
Income tax paid		(8,769)	(1,536)
Finance income received		435	166
<b>Net cash flows from/(used in) operating activities</b>		<b>7,446</b>	<b>(3,388)</b>
<b>Cash flows used in investing activities</b>			
Proceeds from sale of plant and equipment	4	5	30
Purchase of plant and equipment	4	(407)	(195)
Purchase of intangible assets	5	(1,808)	(2,806)
<b>Net cash flows used in investing activities</b>		<b>(2,210)</b>	<b>(2,971)</b>
<b>Cash flows (used in)/from financing activities</b>			
Net proceeds from borrowings		7,796	10,812
Proceeds from issue of shares	7(a)	112	112
Proceeds from repayment of senior executive option plan loans	7(c)	-	389
Equity dividends paid	2(a)	(9,107)	(6,445)
<b>Net cash flows (used in)/from financing activities</b>		<b>(1,199)</b>	<b>4,868</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,037</b>	<b>(1,491)</b>
Cash and cash equivalents at beginning of the half year		27,564	13,509
Net foreign exchange difference		(1)	(1,696)
<b>Cash and cash equivalents at end of the half year</b>	3	<b>31,600</b>	<b>10,322</b>

The accompanying notes form an integral part of this cash flow statement.

## Statement of changes in equity

for the half year ended 31 December 2011

	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 July 2010</b>		137,653	(7,306)	19,876	150,223
Foreign currency translation reserve		-	(4,457)	-	(4,457)
Cash flow hedges		-	(6,179)	-	(6,179)
Income tax on items taken directly to equity		-	1,711	-	1,711
<b>Net loss recognised directly in equity</b>		-	(8,925)	-	(8,925)
Profit for the half year		-	-	20,886	20,886
<b>Total recognised (loss)/income for the half year</b>		-	(8,925)	20,886	11,961
Dividends paid	2(a)	-	-	(6,476)	(6,476)
Issue of ordinary shares - exercise of options	7(a)	112	-	-	112
Repayment of non-recourse senior executive option plan loans	7(c)	389	-	-	389
Share-based payments		-	283	-	283
<b>At 31 December 2010</b>		138,154	(15,948)	34,286	156,492
<b>At 1 July 2011</b>		135,642	(14,886)	32,822	153,578
Foreign currency translation reserve		-	791	-	791
Cash flow hedges		-	2,910	-	2,910
Income tax on items taken directly to equity		-	(867)	-	(867)
<b>Net gain recognised directly in equity</b>		-	2,834	-	2,834
Profit for the half year		-	-	29,386	29,386
<b>Total recognised income for the half year</b>		-	2,834	29,386	32,220
Dividends paid	2(a)	-	-	(9,107)	(9,107)
Issue of ordinary shares - exercise of options	7(a)	112	-	-	112
Ordinary shares allocated to employees from the Breville Group Performance Share Plan Trust	7(b)	4,296	(4,296)	-	-
Share-based payments		-	389	-	389
<b>At 31 December 2011</b>		140,050	(15,959)	53,101	177,192

The accompanying notes form an integral part of this statement of changes in equity.

## Notes to the half year report

for the half year ended 31 December 2011

### Note 1. Basis of preparation of the half year financial report

#### (a) Corporate information

The financial report of Breville Group Limited (the company) for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 23 February 2012. Breville Group Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange (ASX).

The nature of the operations and principal activities of the group are described in the directors' report.

#### (b) Summary of significant accounting policies

The half year consolidated financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year report should be read in conjunction with the annual report of Breville Group Limited as at 30 June 2011.

It is also recommended that the half year report be considered together with any public announcements by Breville Group Limited and its controlled entities during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Where necessary, comparatives have been reclassified and repositioned for consistency with current half year disclosures.

#### (i) Basis of accounting

The half year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*.

The half year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC class order 98/100. The company is an entity to which the class order applies.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

#### (ii) Significant accounting policies

The half year consolidated financial statements have been prepared using the same accounting policies used in the annual financial statements for the year ended 30 June 2011.

#### (iii) Basis of consolidation

The half year consolidated financial statements comprise the financial statements of Breville Group Limited and its subsidiaries as at 31 December 2011 (the group).

#### (c) Seasonality of operations

The financial performance of the group is exposed to seasonality in the volume of sales; such that the company's financial performance is historically weighted in favour of the half year to 31 December. This seasonality is a reflection of the additional retail sales generated during the Christmas trading period each year.

This seasonality in the volume of sales also generally results in a higher level of receivable and inventory balances at the half year compared to year end, resulting in a higher working capital requirement and lower operating cash flows at the half year.

## Notes to the half year report (continued)

for the half year ended 31 December 2011

	Half year ended 31 Dec 2011 \$'000	Half year ended 31 Dec 2010 \$'000
<b>Note 2. Dividends</b>		
<b>(a) Dividends on ordinary shares paid during the half year to equity holders</b>		
<b>Final franked dividend for financial year ended 30 June 2011 of 7.0 cents per share (2010: final unfranked dividend for financial year ended 30 June 2010 of 5.0 cents per share)</b>		
- Dividend paid in cash	9,107	6,445
- Dividend retained as interest income	-	31
<b>Total final dividend</b>	<b>9,107</b>	<b>6,476</b>
<b>(b) Dividends proposed and not recognised as a liability to equity holders</b>		
<b>Franked interim dividend for the financial year ending 30 June 2012 of 12.5 cents per share (2010: partially franked interim dividend for the financial year ended 30 June 2011 of 9.5 cents per share (4.0 cents franked))</b>		
	<b>16,262</b>	<b>12,313</b>
<b>Note 3. Cash and cash equivalents</b>		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Cash and cash equivalents	31,655	10,354
Borrowings (current) – bank overdraft	(55)	(32)
<b>Total cash and cash equivalents</b>	<b>31,600</b>	<b>10,322</b>

### Note 4. Plant and equipment

#### Acquisitions, disposals and impairment

During the half year ended 31 December 2011, the group capitalised items into plant and equipment with a cost of \$496,000 (2010: \$125,000). Plant and equipment with a net book value of \$9,000 were disposed of by the group during the half year ended 31 December 2011 (2010: \$2,000), resulting in a loss on disposal of \$4,000 (2010: profit \$28,000). Plant and equipment with a net book value of \$500,000 was impaired by the group during the half year ended 31 December 2011 (2010: \$nil).

### Note 5. Intangible assets – other

#### Additions

During the half year ended 31 December 2011, the group capitalised items into intangible assets – other (including computer software and development costs) with a cost of \$1,767,000 (2010: \$2,540,000).

## Notes to the half year report (continued)

for the half year ended 31 December 2011

### Note 6. Borrowings

The net cash position of the group at 31 December 2011 amounted to \$23,554,000 (2010: net borrowings \$4,770,000).

	Note	Half year ended 31 Dec 2011 \$'000	Half year ended 31 Dec 2010 \$'000
<b>Note 7. Issued capital</b>			
Ordinary shares – issued	(a)	140,050	139,208
Ordinary shares – held by the Breville Group Performance Share Plan Trust	(b)	-	-
Ordinary shares – reserved under senior executive option plan (SEOP)	(c)	-	(1,054)
<b>Total contributed equity</b>		<b>140,050</b>	<b>138,154</b>

	Note	Half year ended 31 Dec 2011		Half year ended 31 Dec 2010	
		Number of shares	\$'000	Number of shares	\$'000
<b>(a) Movements in ordinary issued shares during the half year:</b>					
<b>Beginning of the half year</b>		129,995,322	139,938	129,515,322	139,096
Movements during the half year					
Exercise of options - cash	(i)	100,000	112	100,000	112
<b>End of the half year</b>		<b>130,095,322</b>	<b>140,050</b>	<b>129,615,322</b>	<b>139,208</b>

- (i) During the half year 100,000 options were exercised resulting in the issue of ordinary shares (2010: 100,000). The average value placed on these issues was \$1.12 (2010: \$1.12).

## Notes to the half year report (continued)

for the half year ended 31 December 2011

	Note	Half year ended 31 Dec 2011		Half year ended 31 Dec 2010	
		Number of shares	\$'000	Number of shares	\$'000
<b>Note 7. Issued capital (continued)</b>					
<b>(b) Movements in ordinary shares held by the Breville Group Performance Share Plan Trust:</b>					
<b>Beginning of the half year</b>					
Movements during the half year					
Ordinary shares allocated to employees from the Breville Group Performance Share Plan Trust					
	(i)	1,282,000	4,296	-	-
<b>End of the half year</b>					
		-	-	-	-

- (i) During the half year the Trustee of the Breville Group Limited Performance Share Plan Trust allocated 1,282,000 ordinary company shares to employees (2010: nil) as performance rights granted under the Breville Group Limited Performance Rights Plan vested and were subsequently exercised.

	Note	Half year ended 31 Dec 2011		Half year ended 31 Dec 2010	
		Number of shares	\$'000	Number of shares	\$'000
<b>(c) Movements in ordinary reserved shares during the half year:</b>					
<b>Beginning of the half year</b>					
Movements during the half year					
Ordinary reserved share loans repaid during the year					
	(i)	-	-	210,000	389
<b>End of the half year</b>					
		-	-	(567,000)	(1,054)

- (i) During the half year loans relating to nil ordinary reserved shares were repaid (2010: 210,000). The average value placed on these original issues was \$nil (2010: \$1.85). The average amount repaid equalled \$nil (2010: \$1.85).

## Notes to the half year report (continued)

for the half year ended 31 December 2011

### Note 8. Operating segments

The following tables present the revenue and profit information regarding operating segments for the half year periods ended 31 December 2011 and 31 December 2010.

	Australia Distribution \$'000	North America Distribution \$'000	New Zealand Distribution \$'000	International Distributors \$'000	Other \$'000	Total \$'000
<b>Half year ended 31 December 2011</b>						
<b>Revenue</b>						
Sale of goods	111,841	86,807	15,230	19,721	-	233,599
Other income	23	-	-	68	-	91
Inter segment revenue	116	-	-	3,089	10,311	13,516
<b>Total segment revenue</b>	<b>111,980</b>	<b>86,807</b>	<b>15,230</b>	<b>22,878</b>	<b>10,311</b>	<b>247,206</b>
Inter segment elimination						(13,516)
<b>Total consolidated revenue</b>						<b>233,690</b>
<b>Results</b>						
<b>EBITDA</b>	<b>14,224</b>	<b>22,803</b>	<b>2,335</b>	<b>6,049</b>	<b>(235)</b>	<b>45,176</b>
Depreciation & amortisation	(633)	(222)	(11)	(6)	(2,463)	(3,335)
<b>EBIT</b>	<b>13,591</b>	<b>22,581</b>	<b>2,324</b>	<b>6,043</b>	<b>(2,698)</b>	<b>41,841</b>
Finance revenue	375	21	39	-	-	435
Finance costs	(437)	(377)	(93)	(71)	100	(878)
<b>Profit before income tax – Segment profit</b>	<b>13,529</b>	<b>22,225</b>	<b>2,270</b>	<b>5,972</b>	<b>(2,598)</b>	<b>41,398</b>

## Notes to the half year report (continued)

for the half year ended 31 December 2011

### Note 8. Operating segments (continued)

	Australia Distribution \$'000	North America Distribution \$'000	New Zealand Distribution \$'000	International Distributors \$'000	Other \$'000	Total \$'000
<b>Half year ended 31 December 2010</b>						
<b>Revenue</b>						
Sale of goods	119,507	77,528	13,287	25,360	-	235,682
Other income	63	6	74	-	-	143
Inter segment revenue	120	-	-	3,373	10,173	13,666
<b>Total segment revenue</b>	<b>119,690</b>	<b>77,534</b>	<b>13,361</b>	<b>28,733</b>	<b>10,173</b>	<b>249,491</b>
Inter segment elimination						(13,666)
<b>Total consolidated revenue</b>						<b>235,825</b>
<b>Results</b>						
<b>EBITDA</b>	<b>16,640</b>	<b>12,532</b>	<b>1,707</b>	<b>7,969</b>	<b>(244)</b>	<b>38,604</b>
Depreciation & amortisation	(694)	(308)	(12)	(9)	(2,357)	(3,380)
<b>EBIT</b>	<b>15,946</b>	<b>12,224</b>	<b>1,695</b>	<b>7,960</b>	<b>(2,601)</b>	<b>35,224</b>
Finance revenue	158	1	38	-	-	197
Finance costs	(650)	(558)	(93)	(70)	254	(1,117)
<b>Profit before income tax – Segment profit</b>	<b>15,454</b>	<b>11,667</b>	<b>1,640</b>	<b>7,890</b>	<b>(2,347)</b>	<b>34,304</b>
Reconciliation to the statement of comprehensive income:						
Onerous lease expense						(5,366)
<b>Profit before income tax</b>						<b>28,938</b>



## Notes to the half year report (continued)

for the half year ended 31 December 2011

### **Note 9. Commitments and contingencies**

Since 31 December 2011, there has been no material change of any contingent liabilities or contingent assets.

### **Note 10. Events after the balance sheet date**

There are no other matters or circumstances that have arisen since the end of the half year, which significantly affected or may affect the operation of the consolidated entity.

## Directors' declaration

In accordance with a resolution of the directors of Breville Group Limited, I state that:

In the opinion of the directors:

- (a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board



John Schmoll  
Non-executive chairman

Sydney  
23 February 2012

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Breville Group Limited, which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Breville Group Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

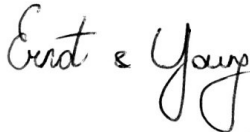
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is referred to in the Directors' Report.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Breville Group Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

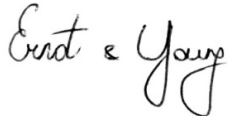
Ernst & Young

A handwritten signature in cursive script that reads 'C. M. Hosking'.

Colleen Hosking  
Partner  
Sydney  
23 February 2012

### **Auditor's Independence Declaration to the Directors of Breville Group Limited**

In relation to our review of the financial report of Breville Group Limited for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'C. M. Hosking'.

Colleen Hosking  
Partner  
23 February 2012