



25 January 2017

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

## **BREVILLE – CHANGE TO REPORTING SEGMENTS**

At the past two reporting periods, Breville Group Limited (ASX:BRG) foreshadowed that it would be changing its external reporting segments to more accurately reflect the way the company is being managed.

This change reflects the transition from a dispersed, geographic structure to a centralized, business unit driven global structure. In this new organisational model, the two segments reflect the two business models in the company: (i) global, innovation driven, product business, and (ii) a distribution business. For both business units, the geographic regions execute the sales and distribution functions, supported by centralised functions (specifically, product development, marketing, and operations).

This new segment reporting format will be used in the half year ending 31 December 2016, with these results to be released on 23 February 2017.


<b>Segment</b>	<b>Segment Description</b>
Global Product	Sells premium products designed and developed by Breville, which are sold globally (currently 65 countries). Products included in this segment may be sold directly or through 3 <sup>rd</sup> parties, and may be branded Breville, Sage, or carry a 3 <sup>rd</sup> party brand.
Distribution	Sells products that are designed and developed by a 3 <sup>rd</sup> party. Breville distributes these products pursuant to a license or distribution agreement, or they are sourced directly from manufacturers. Products in this business unit may be sold under a brand owned by Breville (e.g., Kambrook, Breville), or they may be distributed under a 3 <sup>rd</sup> party brand (e.g., Philips <sup>1</sup> or Nespresso <sup>2</sup> ).

<sup>1</sup> As announced to the market on 3 November 2016, the Philips distribution agreement for Australia and New Zealand expires on 31 May 2017.

<sup>2</sup> As communicated on 25 August 2016 at the time of Breville's FY16 results announcement, the distribution territory for Nespresso designed and developed products has been expanded from ANZ to include North America with effect from 2H17.

To assist market participants in analysing the Group's results, please find attached a summary of last year's (FY16) first half and full year financial results in the new reporting segment format.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sasha Kitto', with a stylized flourish at the end.

Sasha Kitto  
Company Secretary  
Breville Group Limited

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Segment Note Restated – 6 months ended 31 December 2015 and year ended 30 June 2016

Restated 1H16 - 6 months ended 31 December 2015	Global Product segment	Distribution segment	Total	Restated FY16 - year ended 30 June 2016	Global Product segment	Distribution segment	Total
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
<b>Segment revenue</b>	<b>245,126</b>	<b>86,116</b>	<b>331,242</b>	<b>Segment revenue</b>	<b>427,205</b>	<b>149,368</b>	<b>576,573</b>
<b>Segment results</b>				<b>Segment results</b>			
<b>EBITDA</b>	<b>45,234</b>	<b>5,467</b>	<b>50,701</b>	<b>EBITDA</b>	<b>74,069</b>	<b>9,343</b>	<b>83,412</b>
Depreciation and amortisation	(4,269)	(379)	<b>(4,648)</b>	Depreciation and amortisation	(8,920)	(760)	<b>(9,680)</b>
<b>EBIT</b>	<b>40,965</b>	<b>5,088</b>	<b>46,053</b>	<b>EBIT</b>	<b>65,149</b>	<b>8,583</b>	<b>73,732</b>
Finance income			<b>151</b>	Finance income			<b>336</b>
Finance costs			<b>(1,317)</b>	Finance costs			<b>(2,549)</b>
<b>Profit before income tax</b>			<b>44,887</b>	<b>Profit before income tax</b>			<b>71,519</b>
				<b>Other segment information</b>			
				Capital expenditure - plant and equipment	1,366	378	<b>1,744</b>
				Capital expenditure - intangibles	11,319	-	<b>11,319</b>
<b>Global Product revenue</b>				<b>Global Product revenue</b>			
North America	151,766			North America	251,752		
ANZ	52,722			ANZ	93,201		
Rest of World	40,638			Rest of World	82,252		
<b>Total Global Product revenue</b>	<b>245,126</b>			<b>Total Global Product revenue</b>	<b>427,205</b>		