



23 February 2017

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

**Half Year Ended 31 December 2016
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 2016.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sasha Kitto', is positioned above the typed name.

Sasha Kitto
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 2016
Previous corresponding period [1]: half year ended 31 December 2015

Results for announcement to the market

	Percentage change			Amount
	Up or down	%		A\$'000
Total revenues [2.1]	Up	2.4%	to	339,168
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Up	7.0%	to	54,228
Earnings before interest and tax (EBIT)	Up	6.7%	to	49,142
Net profit after income tax for the half year attributable to members [2.2] [2.3]	Up	9.4%	to	33,726
Dividends [2.4]	Date paid / payable [5]	Amount per security [2.4]	Franked amount per security at 30% tax [2.4]	Amount per security of foreign source dividend [5]
Interim dividend				
Current reporting period	6 APR 2017	15.5¢	9.3¢	0.0¢
Previous corresponding period	7 APR 2016	14.5¢	10.9¢	0.0¢
Ex-dividend date for the interim dividend: 15 March 2017 The record date for determining entitlements to the interim dividend [2.5]: 16 March 2017				
Dividend reinvestment plan [6]				
The dividend reinvestment plan will not be in operation for the current reporting period interim dividend.				
Brief explanation [2.6]				
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.				

Net tangible assets [3]		
	Current period	Previous corresponding period
Net tangible assets per security	129.1¢	121.4¢
Control gained or lost over entities [4]		
The group has not gained or lost control of any entities during the half year ended 31 December 2016.		
Total dividend paid / payable [5]		
	Current period A\$'000	Previous corresponding period A\$'000
Final dividend paid	18,213	16,912
Interim dividend payable / paid	20,165	18,864
Associates and joint venture entities [7]		
The group held no interests in associates or joint ventures during the half year ended 31 December 2016.		
For foreign entities, which set of accounting standards are used in compiling the report [8]		
Not applicable.		
Compliance statement		
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 2016 and the 2016 Annual Report.		
No review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2016[9].		
Sign here:	 <hr/> Sasha Kitto Company secretary	
Date:	<hr/> 23 February 2017	

Breville Group Limited

ABN 90 086 933 431

Half year report

FOR THE HALF YEAR ENDED

31 December 2016

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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

Steven Fisher
Non-executive chairman

Timothy Antonie
Non-executive director

Sally Herman
Non-executive director

Dean Howell
Non-executive director

Steven Klein
Non-executive director

Lawrence Myers
Non-executive director
Lead independent director

Kate Wright
Non-executive director (*appointed effective 1 September 2016*)

Company secretaries

Mervyn Cohen
Sasha Kitto

Registered office and principal place of business

Ground Floor, Suite 2
170 -180 Bourke Road
Alexandria NSW 2015
Telephone: (+61 2) 9384 8100

Company websites

brevillegroup.com
breville.com
kambrook.com.au
sageappliances.co.uk

ABN

Breville Group Limited ABN 90 086 933 431

Share register

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

Enquiries within Australia: (02) 8280 7111
Enquiries outside Australia: (+61 2) 8280 7111
Website: linkmarketservices.com.au

Auditors

PricewaterhouseCoopers
Darling Park, 201 Sussex Street
Sydney NSW 2000

Bankers

Australia and New Zealand Banking Group Limited
242 Pitt Street
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 2016.

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.

Steven Fisher	Non-executive chairman
Timothy Antonie	Non-executive director
Sally Herman	Non-executive director
Dean Howell	Non-executive director
Steven Klein	Non-executive director
Lawrence Myers	Non-executive director
Kate Wright	Non-executive director (<i>appointed effective 1 September 2016</i>)

Review of results and operations

Revenues of the consolidated entity for the half year to 31 December 2016 were \$339,168,000, an increase of 2.4% from the revenues for the previous corresponding half year (2015: \$331,242,000).

The increase in revenue as compared to the previous corresponding half year was primarily a result of strong growth in the Global Product segment, with revenue for the half year increasing by 8.0% to \$264,826,000 (2015: \$245,126,000). The Distribution segment revenues of \$74,342,000 (2015: \$86,116,000) declined by 13.7% primarily due to products sold through the mass channel, with discount retailers continuing to favour their private label brands in the entry to mid-price points. In channels outside of the mass channel, however, the Distribution segment revenue was only slightly down over the prior comparative period (pcp).

Group EBIT increased by 6.7% to \$49,142,000 (2015: \$46,053,000) for the half year ended 31 December 2016. The Global Product segment EBIT for the half year increased by 12.0% to \$45,886,000 (2015: \$40,965,000) as the sale of higher margin products resulted in a more favourable product mix which, together with cost efficiencies, more than offset the adverse impact of the stronger transactional USD and the incremental increase in marketing and R&D expenditure. The Distribution segment EBIT of \$3,256,000 (2015: \$5,088,000) reflects the lower sales and reduction in EBIT margin to 4.4% from 5.9% in the pcp, driven mainly by the impact of a stronger transactional USD, offset marginally by lower marketing expenses and cost efficiency savings.

The basic earnings per share for the consolidated entity was 25.9 cents per share (2015: 23.7 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 through two distinct business models as follows:

'Global Product' sells premium products designed and developed by Breville, which are sold globally (currently 65 countries). Products may be sold directly or through 3rd parties, and may be branded Breville, Sage or carry a 3rd party brand.

'Distribution' sells products that are designed and developed by a 3rd 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 the group (e.g., Kambrook, Breville), or they may be distributed under a 3rd party brand (e.g. Nespresso or Philips).

Directors' report (continued)

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 Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The company is an entity to which the Instrument applies.

Auditor's independence declaration

Attached on page 20 is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act 2001 in relation to the review for the half year ended 31 December 2016. This auditor's independence declaration forms part of this directors' report.

Signed in accordance with a resolution of the directors.



Steven Fisher
Non-executive chairman

Sydney
23 February 2017

Statement of comprehensive income

for the half year ended 31 December 2016

	Half year ended 31 Dec 2016 \$'000	Half year ended 31 Dec 2015 \$'000
Revenue	339,168	331,242
Cost of sales	(227,447)	(221,871)
Gross profit	111,721	109,371
Other income	170	299
Employee benefits expenses	(29,598)	(30,215)
Premises, lease & utilities expenses	(5,144)	(5,876)
Advertising & marketing expenses	(12,063)	(12,263)
Other expenses	(10,858)	(10,615)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	54,228	50,701
Depreciation & amortisation expenses	(5,086)	(4,648)
Earnings before interest and tax (EBIT)	49,142	46,053
Finance costs	(1,240)	(1,317)
Finance income	233	151
Profit before income tax	48,135	44,887
Income tax expense	(14,409)	(14,054)
Net profit after income tax for the half year attributable to members of Breville Group Limited	33,726	30,833
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences	934	1,634
Net change in fair value of cash flow hedges	2,524	(138)
Income tax on other comprehensive income and other items taken directly to equity	(593)	18
Other comprehensive income for the half year, net of income tax	2,865	1,514
Total comprehensive income for the half year attributable to members of Breville Group Limited	36,591	32,347
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of Breville Group Limited:		
- basic earnings per share	25.9	23.7
- diluted earnings per share	25.9	23.7

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

Statement of financial position

as at 31 December 2016

	Note	31 Dec 2016 \$'000	30 June 2016 \$'000	31 Dec 2015 \$'000
Current assets				
Cash and cash equivalents	4, 8	64,048	59,978	38,749
Trade and other receivables		158,388	89,478	140,089
Inventories		91,777	107,722	115,120
Other financial assets	5	1,912	1,300	2,634
Current tax assets		310	34	-
Total current assets		316,435	258,512	296,592
Non-current assets				
Plant and equipment	6	11,340	11,789	12,387
Deferred tax assets		7,080	7,531	7,377
Intangible assets	7	96,464	92,135	88,997
Total non-current assets		114,884	111,455	108,761
Total assets		431,319	369,967	405,353
Current liabilities				
Trade and other payables		107,043	74,878	96,404
Borrowings	8	31,346	13,487	22,007
Current tax liabilities		6,456	3,700	5,353
Provisions		16,691	13,916	15,200
Other financial liabilities	5	336	2,223	830
Total current liabilities		161,872	108,204	139,794
Non-current liabilities				
Other payables		4,071	4,265	3,834
Borrowings	8	-	10,362	13,699
Provisions		908	1,131	1,136
Total non-current liabilities		4,979	15,758	18,669
Total liabilities		166,851	123,962	158,463
Net assets		264,468	246,005	246,890
Equity				
Equity attributable to equity holders of the parent				
Issued capital	9	140,050	140,050	140,050
Reserves		(1,980)	(4,930)	(3,570)
Retained earnings		126,398	110,885	110,410
Total equity		264,468	246,005	246,890

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

Cash flow statement

for the half year ended 31 December 2016

Note	Half year ended 31 Dec 2016 \$'000	Half year ended 31 Dec 2015 \$'000
Cash flows from/(used in) operating activities		
	292,572	301,588
	(256,043)	(294,985)
	(957)	(349)
	(11,911)	(12,525)
	233	152
	23,894	(6,119)
Cash flows used in investing activities		
	27	-
6	(567)	(1,053)
7	(8,676)	(5,371)
	(9,216)	(6,424)
Cash flows used in financing activities		
	15,189	20,073
	(7,794)	(6,913)
9(b)	-	(415)
3(a)	(18,213)	(16,912)
	(10,818)	(4,167)
	3,860	(16,710)
	59,978	54,633
	210	826
4	64,048	38,749

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

Statement of changes in equity

for the half year ended 31 December 2016

Consolidated		Issued capital	Foreign currency translation reserve	Employee equity benefits reserve	Cash flow hedge reserve	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016							
At 1 July 2016		140,050	(784)	(3,574)	(572)	110,885	246,005
Foreign currency translation reserve		-	934	-	-	-	934
Cash flow hedges		-	-	-	2,524	-	2,524
Income tax on items taken directly to equity		-	-	206	(799)	-	(593)
Total other comprehensive income for the half year		-	934	206	1,725	-	2,865
Profit for the half year		-	-	-	-	33,726	33,726
Total comprehensive income for the half year		-	934	206	1,725	33,726	36,591
Dividends paid	3(a)	-	-	-	-	(18,213)	(18,213)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	9(b)	-	-	-	-	-	-
Transferred to participants of the performance rights plan	9(b)	-	-	-	-	-	-
Share-based payments		-	-	85	-	-	85
At 31 December 2016		140,050	150	(3,283)	1,153	126,398	264,468
2015							
At 1 July 2015		140,050	(2,430)	(4,033)	1,329	96,489	231,405
Foreign currency translation reserve		-	1,634	-	-	-	1,634
Cash flow hedges		-	-	-	(138)	-	(138)
Income tax on items taken directly to equity		-	-	32	(14)	-	18
Total other comprehensive income/(loss) for the half year		-	1,634	32	(152)	-	1,514
Profit for the half year		-	-	-	-	30,833	30,833
Total comprehensive income/(loss) for the half year		-	1,634	32	(152)	30,833	32,347
Dividends paid	3(a)	-	-	-	-	(16,912)	(16,912)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	9(b)	(415)	-	-	-	-	(415)
Transferred to participants of the performance rights plan	9(b)	415	-	(415)	-	-	-
Share-based payments		-	-	465	-	-	465
At 31 December 2015		140,050	(796)	(3,951)	1,177	110,410	246,890

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 2016

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 2016 was authorised for issue in accordance with a resolution of the directors on 23 February 2017. Breville Group Limited is a for profit company limited by shares incorporated in Australia. Breville Group Limited shares are quoted on the Australian Securities Exchange.

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 for the year ending 30 June 2016.

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 2016 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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. 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 accounting policies adopted in the preparation of the half year consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 30 June 2016.

(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 2016 (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, usually 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 2016

Note 2. Operating segments

The following tables present the revenue and profit information regarding operating segments for the half year periods ended 31 December 2016 and 31 December 2015.

In the current period the company changed its external reporting segments to 'Global Product' and 'Distribution'.

This change reflects the transition from a dispersed, geographic structure to a centralised, 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).

'Global Product' sells premium products designed and developed by Breville, which are sold globally (currently 65 countries). Products may be sold directly or through 3rd parties, and may be branded Breville, Sage or carry a 3rd party brand.

'Distribution' sells products that are designed and developed by a 3rd 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 the group (e.g., Kambrook, Breville), or they may be distributed under a 3rd party brand (e.g. Nespresso or Philips).

	Note	Half year ended 31 Dec 2016			Half year ended 31 Dec 2015 (as restated)		
		Global Product \$'000	Distribution \$'000	Total \$'000	Global Product \$'000	Distribution \$'000	Total \$'000
Segment revenue	(a)	264,826	74,342	339,168	245,126	86,116	331,242
Segment results							
EBITDA		50,666	3,562	54,228	45,234	5,467	50,701
Depreciation and amortisation		(4,780)	(306)	(5,086)	(4,269)	(379)	(4,648)
EBIT		45,886	3,256	49,142	40,965	5,088	46,053
Finance income				233			151
Finance costs				(1,240)			(1,317)
Profit before income tax				48,135			44,887

	Half year ended 31 Dec 2016 \$'000	Half year ended 31 Dec 2015 \$'000
(a) Segment revenue		
Global Product		
North America	159,350	151,766
ANZ	63,331	52,722
Rest of World	42,145	40,638
Total Global Product revenue	264,826	245,126

Distribution

All revenue generated from ANZ

Notes to the half year report (continued)

for the half year ended 31 December 2016

	Half year ended 31 Dec 2016 \$'000	Half year ended 31 Dec 2015 \$'000
Note 3. Dividends		
(a) Dividends on ordinary shares paid during the half year to equity holders		
Final partially franked dividend for the financial year ended 30 June 2016 of 14.0 cents per share, 9.8 cents (70%) franked (2015: final fully franked dividend for the financial year ended 30 June 2015 of 13.0 cents per share)		
Dividend paid in cash	18,213	16,912
Final dividend	18,213	16,912
(b) Dividends proposed and not recognised as a liability to equity holders		
Partially franked interim dividend for the financial year ending 30 June 2017 of 15.5 cents per share, 9.3 cents (60%) franked (2015: 14.5 cents per share, 10.9 cents (75%) franked)		
	20,165	18,864

	31 Dec 2016 \$'000	30 June 2016 \$'000	31 Dec 2015 \$'000
Note 4. Cash and cash equivalents			
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:			
Cash and cash equivalents	64,048	59,978	38,749
Borrowings (current) – bank overdraft	-	(1)	-
Total cash and cash equivalents, net	64,048	59,977	38,749

Note 5. Financial assets and liabilities

Financial instruments

During the half year, the group designated forward exchange contracts in hedges of highly probable forecasted purchases of inventory, principally in USD. The forecast purchases are expected to occur between 0-12 months from 1 January 2017. The terms of the forward exchange contracts have been negotiated to match the terms of the forecast transactions. Consequently, the hedges were assessed to be highly effective. As at 31 December 2016, an unrealised gain of \$2,524,000 (2015: loss of \$138,000) is included in other comprehensive income.

Forward exchange contracts are initially recognised in the statement of financial position at fair value and subsequently remeasured to their fair value. Accordingly, there is no difference between the carrying value and the fair value of derivative financial instruments at reporting date. The carrying value and estimated net fair values of the borrowings held with banks is assumed to approximate their fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

Notes to the half year report (continued)

for the half year ended 31 December 2016

Note 5. Financial assets and liabilities (continued)

Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 — techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All forward exchange contracts were measured at fair value using the Level 2 method.

Valuation techniques

The forward exchange contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Note 6. Plant and equipment

Additions and disposals

During the half year ended 31 December 2016, the group capitalised items into plant and equipment with a cost of \$1,117,000 (2015: \$1,028,000). Plant and equipment with a net book value of \$25,000 was disposed of by the group during the half year ended 31 December 2016 (2015: nil), resulting in a profit on disposal of \$2,000 (2015: nil).

Note 7. Intangible assets

Additions

During the half year ended 31 December 2016, the group capitalised items into intangible assets (computer software and development costs) with a cost of \$7,848,000 (2015: \$4,695,000).

	31 Dec 2016 \$'000	30 June 2016 \$'000	31 Dec 2015 \$'000
Note 8. Borrowings			
Current	31,346	13,487	22,007
Non-current	-	10,362	13,699
Total borrowings	31,346	23,849	35,706

The net cash position of the group at 31 December 2016 amounted to \$32,702,000 (30 June 2016: net cash position of \$36,129,000, 31 December 2015: net cash position of \$3,043,000).

Notes to the half year report (continued)

for the half year ended 31 December 2016

	Note	31 Dec 2016 \$'000	30 June 2016 \$'000	31 Dec 2015 \$'000
Note 9. Issued capital				
Ordinary shares – issued	(a)	140,050	140,050	140,050
Ordinary shares – held by the Breville Group Performance Share Plan Trust	(b)	-	-	-
Total contributed equity		140,050	140,050	140,050

	Half year ended 31 Dec 2016		Half year ended 31 Dec 2015	
	Number of shares	\$'000	Number of shares	\$'000
(a) Movements in ordinary issued shares during the half year:				
Beginning and end of the half year	130,095,322	140,050	130,095,322	140,050
(b) Movements in ordinary shares held by the Breville Group Performance Share Plan Trust:				
Beginning of the half year	-	-	-	-
Movements during the half year				
Ordinary shares acquired by the Breville Group Performance Share Plan Trust during the half year - cash	(i)	-	(65,000)	(415)
Ordinary shares transferred to participants of the Breville Group Performance Share Plan	(ii)	-	65,000	415
End of the half year		-	-	-

- (i) During the half year the Trustee of the Breville Group Performance Share Plan Trust acquired nil ordinary shares (2015: 65,000) in order to fulfil its obligations under the Breville Group Performance Share Plan. The average value placed on these acquisitions was \$nil per share (2015: \$6.38 per share).
- (ii) During the half year the Trustee of the Breville Group Performance Share Plan Trust transferred nil ordinary shares (2015: 65,000) to participants in order to fulfil its obligations under the Breville Group Performance Rights Plan.

Notes to the half year report (continued)

for the half year ended 31 December 2016

Note 10. Contingencies

At 31 December 2016, there are no material contingent liabilities or contingent assets.

Note 11. Events after the balance 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 2016 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



Steven Fisher
Non-executive chairman

Sydney
23 February 2017



Independent auditor's review report to the members of Breville Group Limited

Report on the half-year financial report

We have reviewed the accompanying half year financial report of Breville Group Limited (the Company), which comprises the Consolidated Statement of Financial Position as at 31 December 2016, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the half-year ended on that date, selected explanatory notes and the Directors' Declaration for the Breville Group Limited group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled 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 control as the directors determine is 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 Australian 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 2016 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, 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*.

PricewaterhouseCoopers, ABN 52 780 433 757

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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 2016 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A large, stylized handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Mark Dow'.

Mark Dow
Partner

Sydney
23 February 2017

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Auditor's Independence Declaration

As lead auditor for the review of Breville Group Limited for the half year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect Breville Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Mark Dow', written in a cursive style.

Mark Dow
Partner

Sydney
23 February 2017