



25 February 2016

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

**Half Year Ended 31 December 2015
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 2015.

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

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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 2015
Previous corresponding period [1]: half year ended 31 December 2014

Results for announcement to the market

	Percentage change		to	Amount A\$'000
	Up or down	%		
Total revenues [2.1]	Up	12.7%		331,242
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Up	7.4%		50,701
Earnings before interest and tax (EBIT)	Up	5.7%		46,053
Net profit after income tax for the half year attributable to members [2.2] [2.3]	Up	4.0%		30,833
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	7 APR 2016	14.5¢	10.9¢	0.0¢
Previous corresponding period	2 APR 2015	14.0¢	14.0¢	0.0¢
Ex-dividend date for the interim dividend: 16 March 2016 The record date for determining entitlements to the interim dividend [2.5]: 17 March 2016				
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	121.37¢	113.63¢
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 2015.		
Total dividend paid / payable [5]		
	Current period	Previous corresponding period
	A\$'000	A\$'000
Final dividend paid	16,912	16,912
Interim dividend payable / paid	18,864	18,213
Associates and joint venture entities [7]		
The group held no interests in associates or joint ventures during the half year ended 31 December 2015.		
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 2015 and the 2015 Annual Report.		
No review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2015[9].		
Sign here:	 <hr/> Sasha Kitto Company secretary	
Date:	<hr/> 25 February 2016	

Breville Group Limited

ABN 90 086 933 431

Half year report

FOR THE HALF YEAR ENDED

31 December 2015

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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

Company secretaries

Mervyn Cohen
Sasha Kitto

Registered office and principal place of business

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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 2015.

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
Samuel Weiss	Non-executive director (<i>resigned effective 11 November 2015</i>)

Review of results and operations

Revenues of the consolidated entity for the half year to 31 December 2015 were \$331,242,000, an increase of 12.7% from the revenues for the previous corresponding half year (2014: \$293,937,000).

The increase in revenue as compared to the previous corresponding half year was primarily a result of the North American segment which delivered 10.9% constant currency growth in core categories. The Australia and New Zealand (ANZ) segment experienced marginally lower revenues primarily due to an extremely price sensitive market. Rest of World revenues were higher in AUD, but slightly lower in constant currency.

Group EBIT increased by 5.7% to \$46,053,000 (2014: \$43,559,000) for the half year ended 31 December 2015. Higher EBIT from the North American and Rest of World segments, which benefited from improved EBIT margins as a result of a more favourable product mix, was partially offset by lower ANZ segment EBIT and increased expenses in the Other segment. A stronger USD had an adverse impact on the ANZ segment EBIT, the impact of which was partly offset by price increases, positive sales mix and cost efficiency savings.

The basic earnings per share for the consolidated entity was 23.70 cents per share (2014: 22.80 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 Australia and New Zealand (ANZ), the group trades under its company owned brands, Breville and Kambrook and distributes a range of Breville-Nespresso co-branded single serve coffee machines under a licence agreement. ANZ also distributes a range of Philips' products in the personal care and garment care categories under a distribution agreement with Philips.

In North America, the group distributes Breville branded products through premium channels.

In the United Kingdom the marketing and distribution of Breville designed products through premium channels is under the company owned Sage brand, which is endorsed by internationally acclaimed chef Heston Blumenthal.

The group's Hong Kong office performs the functions of a group procurement and quality assurance centre and also, a supplier of primarily Breville designed products to distributors globally. These distributors are located outside of the group's principal markets of Australia, New Zealand, North America and the United Kingdom. The products sold to distributors located in Europe (excluding United Kingdom) are sold either under the Sage brand or on a non-Breville branded basis. The products sold to distributors outside of Europe, including in the Asia Pacific region, the Middle East and South America, are Breville branded products.

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 class order 98/100. The company is an entity to which the class order applies.

Auditor's independence declaration

Attached on page 21 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 2015. 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
25 February 2016

Statement of comprehensive income

for the half year ended 31 December 2015

	Half year ended 31 Dec 2015 \$'000	Half year ended 31 Dec 2014 \$'000
Revenue	331,242	293,937
Cost of sales	(220,302)	(195,342)
Gross profit	110,940	98,595
Other income	299	355
Employee benefits expenses	(29,988)	(26,562)
Premises, lease & utilities expenses	(5,876)	(4,881)
Advertising & marketing expenses	(14,059)	(13,532)
Other expenses	(10,615)	(6,782)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	50,701	47,193
Depreciation & amortisation expenses	(4,648)	(3,634)
Earnings before interest and tax (EBIT)	46,053	43,559
Finance costs	(1,317)	(1,257)
Finance income	151	376
Profit before income tax	44,887	42,678
Income tax expense	(14,054)	(13,020)
Net profit after income tax for the half year attributable to members of Breville Group Limited	30,833	29,658
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences	1,634	6,177
Net change in fair value of cash flow hedges	(138)	4,643
Income tax on other comprehensive income/(loss) and other items taken directly to equity	18	(1,493)
Other comprehensive income for the half year, net of income tax	1,514	9,327
Total comprehensive income for the half year attributable to members of Breville Group Limited	32,347	38,985
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of Breville Group Limited:		
- basic earnings per share	23.70	22.80
- diluted earnings per share	23.70	22.80

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

Statement of financial position

as at 31 December 2015

	Note	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2014 \$'000
Current assets				
Cash and cash equivalents	3, 7	38,749	54,634	42,069
Trade and other receivables		137,558	87,341	133,032
Inventories		115,120	108,323	97,063
Other financial assets	4	2,634	2,548	2,691
Current tax assets		-	556	36
Other assets		2,531	1,406	2,948
Total current assets		296,592	254,808	277,839
Non-current assets				
Plant and equipment	5	12,387	12,855	8,654
Deferred tax assets		7,377	6,238	9,012
Intangible assets – other	6	58,503	56,877	53,844
Intangible assets – goodwill	6	30,494	30,494	31,047
Total non-current assets		108,761	106,464	102,557
Total assets		405,353	361,272	380,396
Current liabilities				
Trade and other payables		99,775	88,612	93,633
Borrowings	7	22,007	76	18,098
Current tax liabilities		5,353	3,457	7,806
Provisions		11,829	9,877	10,935
Other financial liabilities	4	830	604	5
Total current liabilities		139,794	102,626	130,477
Non-current liabilities				
Other payables		3,834	4,295	3,645
Borrowings	7	13,699	21,768	12,258
Provisions		1,136	1,178	1,300
Total non-current liabilities		18,669	27,241	17,203
Total liabilities		158,463	129,867	147,680
Net assets		246,890	231,405	232,716
Equity				
Equity attributable to equity holders of the parent				
Issued capital	8	140,050	140,050	140,050
Reserves		(3,570)	(5,134)	(5,014)
Retained earnings		110,410	96,489	97,680
Total equity		246,890	231,405	232,716

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

Cash flow statement

for the half year ended 31 December 2015

	Note	Half year ended 31 Dec 2015 \$'000	Half year ended 31 Dec 2014 \$'000
Cash flows used in operating activities			
Receipts from customers		301,588	264,330
Payments to suppliers and employees		(294,985)	(261,629)
Finance costs paid		(349)	(850)
Income tax paid		(12,525)	(9,104)
Finance income received		152	376
Net cash flows used in operating activities		(6,119)	(6,877)
Cash flows used in investing activities			
Purchase of plant and equipment	5	(1,053)	(1,381)
Purchase of intangible assets	6	(5,371)	(8,610)
Net cash flows used in investing activities		(6,424)	(9,991)
Cash flows used in financing activities			
Proceeds from borrowings		20,073	11,876
Repayment of borrowings		(6,913)	(8,351)
Irretrievable cash contributions paid to the Trustee of the Breville Group Performance Share Plan Trust to acquire ordinary shares	8(b)	(415)	(2,620)
Equity dividends paid	2(a)	(16,912)	(16,912)
Net cash flows used in financing activities		(4,167)	(16,007)
Net decrease in cash and cash equivalents		(16,710)	(32,875)
Cash and cash equivalents at beginning of the half year		54,633	70,885
Net foreign exchange difference		826	3,927
Cash and cash equivalents at end of the half year	3	38,749	41,937

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

Statement of changes in equity

for the half year ended 31 December 2015

	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
At 1 July 2014		140,050	(11,938)	84,934	213,046
Foreign currency translation reserve		-	6,177	-	6,177
Cash flow hedges		-	4,643	-	4,643
Income tax on items taken directly to equity		-	(1,493)	-	(1,493)
Net gain recognised directly in equity		-	9,327	-	9,327
Profit for the half year		-	-	29,658	29,658
Total recognised income for the half year		-	9,327	29,658	38,985
Dividends paid	2(a)	-	-	(16,912)	(16,912)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	8(b)	(2,620)	-	-	(2,620)
Transferred to participants of the performance rights plan	8(b)	2,620	(2,620)	-	-
Share-based payments		-	217	-	217
At 31 December 2014		140,050	(5,014)	97,680	232,716
At 1 July 2015		140,050	(5,134)	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		-	18	-	18
Net gain recognised directly in equity		-	1,514	-	1,514
Profit for the half year		-	-	30,833	30,833
Total recognised income for the half year		-	1,514	30,833	32,347
Dividends paid	2(a)	-	-	(16,912)	(16,912)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	8(b)	(415)	-	-	(415)
Transferred to participants of the performance rights plan	8(b)	415	(415)	-	-
Share-based payments		-	465	-	465
At 31 December 2015		140,050	(3,570)	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 2015

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 2015 was authorised for issue in accordance with a resolution of the directors on 25 February 2016. 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 as at 30 June 2015.

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 2015 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 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 2015.

(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 2015 (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 2015

	Half year ended 31 Dec 2015 \$'000	Half year ended 31 Dec 2014 \$'000
Note 2. Dividends		
(a) Dividends on ordinary shares paid during the half year to equity holders		
Final franked dividend for the financial year ended 30 June 2015 of 13.0 cents per share (2014: final franked dividend for the financial year ended 30 June 2014 of 13.0 cents per share)		
Dividend paid in cash	16,912	16,912
Final dividend	16,912	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 2016 of 14.5 cents per share, 10.9 cents (75%) franked (2015: 14.0 cents per share, fully franked)		
	18,864	18,213

	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2014 \$'000
Note 3. Cash and cash equivalents			
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:			
Cash and cash equivalents	38,749	54,634	42,069
Borrowings (current) – bank overdraft	-	(1)	(132)
Total cash and cash equivalents, net	38,749	54,633	41,937

Note 4. 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 2016. 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 2015, an unrealised loss of \$138,000 (2014: gain of \$4,643,000) 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 2015

Note 4. 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 5. Plant and equipment

Acquisitions

During the half year ended 31 December 2015, the group capitalised items into plant and equipment with a cost of \$1,028,000 (2014: \$2,761,000).

Note 6. Intangible assets

Additions

During the half year ended 31 December 2015, the group capitalised items into intangible assets (computer software and development costs) with a cost of \$4,695,000 (2014: \$12,532,000 also including goodwill and customer relationships).

During the half year ended 31 December 2014, the group acquired the culinary division of the USA based business PolyScience for upfront consideration of \$5,310,000 plus an earnout which is included in other payables, resulting in the recognition of goodwill of \$6,489,000 and customer relationships of \$1,835,000 (included as part of intangible assets capitalised, as described above). Following a purchase price adjustment, this goodwill was reduced to \$5,936,000 at 30 June 2015.

	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2014 \$'000
Note 7. Borrowings			
Current	22,007	76	18,098
Non-current	13,699	21,768	12,258
Total borrowings	35,706	21,844	30,356

The net cash position of the group at 31 December 2015 amounted to \$3,043,000 (30 June 2015: net cash position of \$32,790,000, 31 December 2014: net cash position of \$11,713,000).

Notes to the half year report (continued)

for the half year ended 31 December 2015

	Note	31 Dec 2015 \$'000	30 June 2015 \$'000	31 Dec 2014 \$'000
Note 8. 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 2015		Half year ended 31 Dec 2014	
	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

	Note	Half year ended 31 Dec 2015		Half year ended 31 Dec 2014	
		Number of shares	\$'000	Number of shares	\$'000
(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)	(362,000)	(2,620)
Ordinary shares transferred to participants of the Breville Group Performance Share Plan	(ii)	65,000	415	362,000	2,620
End of the half year		-	-	-	-

- (i) During the half year the Trustee of the Breville Group Performance Share Plan Trust acquired 65,000 ordinary shares (2014: 362,000) in order to fulfil its obligations under the Breville Group Performance Share Plan. The average value placed on these acquisitions was \$6.38 per share (2014: \$7.24 per share).
- (ii) During the half year the Trustee of the Breville Group Performance Share Plan Trust transferred 65,000 ordinary shares (2014: 362,000) 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 2015

Note 9. Operating segments

The following tables present the revenue and profit information regarding operating segments for the half year periods ended 31 December 2015 and 31 December 2014.

	North America Distribution \$'000	ANZ Distribution \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Half year ended 31 December 2015					
Revenue					
Sale of goods	151,766	138,838	40,638	-	331,242
Inter segment revenue	-	-	8,653	18,334	26,987
Total segment revenue	151,766	138,838	49,291	18,334	358,229
Inter segment elimination					(26,987)
Total consolidated revenue					331,242
Segment results					
EBITDA	29,061	11,946	11,350	(1,656)	50,701
Depreciation & amortisation	(235)	(664)	(56)	(3,693)	(4,648)
EBIT	28,826	11,282	11,294	(5,349)	46,053
Finance income	-	150	1	-	151
Finance costs	(519)	(117)	(244)	(437)	(1,317)
Profit before income tax – Segment profit	28,307	11,315	11,051	(5,786)	44,887

Notes to the half year report (continued)

for the half year ended 31 December 2015

Note 9. Operating segments (continued)

	North America Distribution \$'000	ANZ Distribution \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Half year ended 31 December 2014					
Revenue					
Sale of goods	116,003	142,866	35,068	-	293,937
Inter segment revenue	-	-	6,954	14,074	21,028
Total segment revenue	116,003	142,866	42,022	14,074	314,965
Inter segment elimination					(21,028)
Total consolidated revenue					293,937
Segment results					
EBITDA	20,792	16,887	8,882	632	47,193
Depreciation & amortisation	(182)	(601)	(36)	(2,815)	(3,634)
EBIT	20,610	16,286	8,846	(2,183)	43,559
Finance income	9	363	4	-	376
Finance costs	(464)	(178)	(207)	(408)	(1,257)
Profit before income tax – Segment profit	20,155	16,471	8,643	(2,591)	42,678

Notes to the half year report (continued)

for the half year ended 31 December 2015

Note 10. Contingencies

At 31 December 2015, 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.

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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 2015 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
25 February 2016

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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 2015, 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 2015 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 2015 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
25 February 2016

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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 2015, 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 over a horizontal line.

Mark Dow
Partner

Sydney
25 February 2016