

Breville

20 February 2014

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

Half Year Ended 31 December 2013
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 2013.

Yours faithfully



Mervyn Cohen
Company Secretary
Breville Group Limited

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Breville Group Limited

ABN 90 086 933 431

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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 2013

Previous corresponding period [1]: half year ended 31 December 2012

Results for announcement to the market

	Percentage change		to	Amount A\$'000
	Up or down	%		
Total revenues [2.1]	Up	17.7%		311,277
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Down	1.2%		49,138
Earnings before interest and tax (EBIT)	Down	1.1%		45,593
Net profit after income tax for the half year attributable to members [2.2] [2.3]	Down	1.6%		31,179
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	9 APR 2014	14.0¢	14.0¢	0.0¢
Previous corresponding period	10 APR 2013	14.0¢	9.5¢	0.0¢
The record date for determining entitlements to the interim dividend [2.5]: 18 March 2014				
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	110.95¢	96.42¢
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 2013.		
Total dividend paid / payable [5]		
	Current period A\$'000	Previous corresponding period A\$'000
Final dividend paid	15,611	14,961
Associates and joint venture entities [7]		
The group held no interests in associates or joint ventures during the half year ended 31 December 2013.		
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 2013 and the 2013 Annual Report.		
No review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2013 [9].		
Sign here:	 <hr/> Mervyn Cohen Company secretary	
Date:	<hr/> 20 February 2014	

Breville Group Limited

ABN 90 086 933 431

Half year report

FOR THE HALF YEAR ENDED

31 December 2013

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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 (*appointed 18 December 2013, effective 19 December 2013*)

Sally Herman
Non-executive director

Dean Howell
Non-executive director

Steven Klein
Non-executive director

Lawrence Myers
Non-executive director (*appointed 19 August 2013, effective 1 September 2013*)

Samuel Weiss
Non-executive director

Company secretary

Mervyn Cohen

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

brevillegroup.com
breville.com
kambrook.com.au
ronson.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

Ernst & Young
680 George Street
Sydney NSW 2000

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 2013.

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 <i>(appointed 18 December 2013, effective 19 December 2013)</i>
Sally Herman	Non-executive director
Dean Howell	Non-executive director
Steven Klein	Non-executive director
Lawrence Myers	Non-executive director <i>(appointed 19 August 2013, effective 1 September 2013)</i>
Samuel Weiss	Non-executive director

Review of results and operations

Revenues of the consolidated entity for the half year to 31 December 2013 were \$311,277,000 which was up 17.7% from the revenues for the previous corresponding half year (2012: \$264,421,000). This revenue growth was driven primarily by the continuing success of the strategy of innovation of Breville designed and developed new products for consumers around the world.

Strong revenue growth in Breville's core business more than offset the \$11,433,000 decrease in Keurig commission income from the previous corresponding period following the cessation, at the end of June 2013, of the majority of the Keurig distribution arrangement in Canada.

However, the lost Keurig commission income was at a significantly higher margin than the improved sales in Breville's core business. This resulted in a decrease in EBIT by 1.1% to \$45,593,000 (2012: \$46,107,000) and a decrease in net profit after tax attributable to shareholders for the half year to 31 December 2013 by 1.6% to \$31,179,000 (2012: \$31,692,000).

The basic earnings per share for the consolidated entity was 23.97 cents per share (2012: 24.36 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, the group trades under its company owned brands, Breville, Kambrook and Ronson and also distributes a range of Philips' products in the personal care and garment care categories under a licence agreement with Philips.

In North America, the group distributes Breville branded products through premium channels and was also the distributor in Canada of a range of Keurig branded single serve coffee machines and portioned coffee capsules, the majority of this arrangement ended on 30 June 2013.

In May 2013, the group established a business in the United Kingdom marketing and distributing Breville designed products through premium channels under a new company owned brand, Sage, 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 are sold 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 2013. 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
20 February 2014

Statement of comprehensive income

for the half year ended 31 December 2013

	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2012 \$'000
Revenue	311,277	264,421
Cost of sales	(207,113)	(164,335)
Gross profit	104,164	100,086
Other income	692	584
Employee benefits expenses	(26,940)	(24,781)
Premises, lease & utilities expenses	(5,314)	(5,827)
Advertising and marketing expenses	(15,800)	(12,787)
Other expenses	(7,664)	(7,537)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	49,138	49,738
Depreciation & amortisation expenses	(3,545)	(3,631)
Earnings before interest and tax (EBIT)	45,593	46,107
Finance costs	(1,045)	(810)
Finance income	391	686
Profit before income tax	44,939	45,983
Income tax expense	(13,760)	(14,291)
Net profit after income tax for the half year attributable to members of Breville Group Limited	31,179	31,692
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences	2,304	159
Net change in fair value of cash flow hedges	(1,012)	(339)
Income tax on other comprehensive income/(loss) and other items taken directly to equity	415	497
Other comprehensive income for the half year, net of income tax	1,707	317
Total comprehensive income for the half year attributable to members of Breville Group Limited	32,886	32,009
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of Breville Group Limited:		
- basic earnings per share	23.97	24.36
- diluted earnings per share	23.97	24.36

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

Statement of financial position

as at 31 December 2013

	Note	31 Dec 2013 \$'000	30 June 2013 \$'000	31 Dec 2012 \$'000
Current assets				
Cash and cash equivalents	3, 7	41,853	68,130	51,898
Trade and other receivables		139,862	90,770	125,467
Inventories		91,692	83,751	76,781
Other financial assets	4	1,111	2,110	55
Current tax assets		988	804	-
Other assets		2,152	2,833	2,800
Total current assets		277,658	248,398	257,001
Non-current assets				
Plant and equipment	5	4,765	3,739	4,299
Deferred tax assets		13,719	14,090	13,902
Intangible assets – other	6	49,245	47,663	45,032
Intangible assets – goodwill		24,558	24,558	24,558
Total non-current assets		92,287	90,050	87,791
Total assets		369,945	338,448	344,792
Current liabilities				
Trade and other payables		95,267	82,267	96,615
Borrowings	7	32,521	13,630	11,973
Current tax liabilities		6,687	9,102	9,453
Provisions		9,532	13,040	8,504
Other financial liabilities	4	110	13	11
Total current liabilities		144,117	118,052	126,556
Non-current liabilities				
Other payables		136	616	-
Borrowings	7	-	11,070	9,755
Deferred tax liabilities		5,951	5,882	6,224
Provisions		1,602	1,632	7,231
Total non-current liabilities		7,689	19,200	23,210
Total liabilities		151,806	137,252	149,766
Net assets		218,139	201,196	195,026
Equity				
Equity attributable to equity holders of the parent				
Issued capital	8	140,050	138,368	140,050
Reserves		(7,472)	(7,165)	(15,190)
Retained earnings		85,561	69,993	70,166
Total equity		218,139	201,196	195,026

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

Cash flow statement

for the half year ended 31 December 2013

	Note	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2012 \$'000
Cash flows (used in)/from operating activities			
Receipts from customers		288,227	324,724
Payments to suppliers and employees		(279,501)	(308,996)
Payment for surrender of lease		(5,445)	-
Finance costs paid		(1,045)	(810)
Income tax paid		(12,745)	(13,649)
Finance income received		391	686
Net cash flows (used in)/from operating activities		(10,118)	1,955
Cash flows used in investing activities			
Proceeds from sale of plant and equipment	5	7	28
Purchase of plant and equipment	5	(1,856)	(728)
Proceeds from sale of intangible assets	6	227	-
Purchase of intangible assets - other	6	(4,167)	(2,812)
Net cash flows used in investing activities		(5,789)	(3,512)
Cash flows (used in)/from financing activities			
Net proceeds from borrowings		8,977	15,578
Irrecoverable cash contributions paid to the Trustee of the Breville Group Performance Share Plan Trust to acquire ordinary shares	8(b)	(1,041)	(200)
Equity dividends paid	2(a)	(15,611)	(14,961)
Net cash flows (used in)/from financing activities		(7,675)	417
Net decrease in cash and cash equivalents		(23,582)	(1,140)
Cash and cash equivalents at beginning of the half year		66,550	53,082
Net foreign exchange difference		(1,115)	(44)
Cash and cash equivalents at end of the half year	3	41,853	51,898

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

Statement of changes in equity

for the half year ended 31 December 2013

	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
At 1 July 2012		138,760	(14,783)	53,435	177,412
Foreign currency translation reserve		-	159	-	159
Cash flow hedges		-	(339)	-	(339)
Income tax on items taken directly to equity		-	497	-	497
Net gain recognised directly in equity		-	317	-	317
Profit for the half year		-	-	31,692	31,692
Total recognised income for the half year		-	317	31,692	32,009
Dividends paid	2(a)	-	-	(14,961)	(14,961)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	8(b)	(200)	-	-	(200)
Transferred to participants of the performance rights plan	8(b)	1,490	(1,490)	-	-
Share-based payments		-	766	-	766
At 31 December 2012		140,050	(15,190)	70,166	195,026
At 1 July 2013		138,368	(7,165)	69,993	201,196
Foreign currency translation reserve		-	2,304	-	2,304
Cash flow hedges		-	(1,012)	-	(1,012)
Income tax on items taken directly to equity		-	415	-	415
Net gain recognised directly in equity		-	1,707	-	1,707
Profit for the half year		-	-	31,179	31,179
Total recognised income for the half year		-	1,707	31,179	32,886
Dividends paid	2(a)	-	-	(15,611)	(15,611)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Trust	8(b)	(1,041)	-	-	(1,041)
Transferred to participants of the performance rights plan	8(b)	2,723	(2,723)	-	-
Share-based payments		-	709	-	709
At 31 December 2013		140,050	(7,472)	85,561	218,139

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 2013

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 2013 was authorised for issue in accordance with a resolution of the directors on 20 February 2014. Breville Group Limited is a for profit 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 2013.

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 2013 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 2013, except for the adoption of new standards and interpretations noted below:

AASB 10 *Consolidated Financial Statements*
AASB 12 *Disclosure of Interests in Other Entities*
AASB 13 *Fair Value Measurement*
AASB 119 *Employee Benefits*
AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

The adoption of these amendments had no material impact on the financial position or performance of the group.

AASB 13 *Fair Value Measurement* expands the disclosure requirements about fair value measurements, some of which are specifically required in interim financial statements. Accordingly the group has included additional disclosures in note 4.

(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 2013 (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 2013

	Half year ended 31 Dec 2013 \$'000	Half year ended 31 Dec 2012 \$'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 2013 of 12.0 cents per share (2012: final franked dividend for the financial year ended 30 June 2012 of 11.5 cents per share)		
Dividend paid in cash	15,611	14,961
Final dividend	15,611	14,961
(b) Dividends proposed and not recognised as a liability to equity holders		
Fully franked interim dividend for the financial year ending 30 June 2014 of 14.0 cents per share (2013: 14.0 cents per share (9.5 cents franked))		
	18,213	18,213

	31 Dec 2013 \$'000	30 June 2013 \$'000	31 Dec 2012 \$'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	41,853	68,130	51,898
Borrowings (current) – bank overdraft	-	(1,580)	-
Total cash and cash equivalents, net	41,853	66,550	51,898

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 US dollars. The forecast purchases are expected to occur between 0-12 months from 1 January 2014. 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 2013, an unrealised loss of \$1,012,000 (2012: \$339,000) is included in other comprehensive income.

Forward exchange contracts are initially recognised in the statement of financial position at cost 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 2013

Note 4. Financial assets and liabilities (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

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 and disposals

During the half year ended 31 December 2013, the group capitalised items into plant and equipment with a cost of \$1,936,000 (2012: \$1,473,000). Plant and equipment with a net book value of nil were disposed of by the group during the half year ended 31 December 2013 (2012: \$9,000), resulting in a profit on disposal of \$7,000 (2012: profit \$19,000).

Note 6. Intangible assets – other

Additions and disposals

During the half year ended 31 December 2013, the group capitalised items into intangible assets – other (including computer software and development costs) with a cost of \$4,516,000 (2012: \$2,347,000). Intangibles with a net book value of \$227,000 were disposed of by the group during the half year ended 31 December 2013 (2012: nil), resulting in a profit on disposal of nil (2012: nil).

	31 Dec 2013	30 June 2013	31 Dec 2012
	\$'000	\$'000	\$'000
Note 7. Borrowings			
Current	32,521	13,630	11,973
Non-current	-	11,070	9,755
Total borrowings	32,521	24,700	21,728

The net cash position of the group at 31 December 2013 amounted to \$9,332,000 (30 June 2013: net cash position of \$43,430,000, 31 December 2012: net cash position of \$30,170,000).

Notes to the half year report (continued)

for the half year ended 31 December 2013

	Note	31 Dec 2013 \$'000	30 June 2013 \$'000	31 Dec 2012 \$'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)	-	(1,682)	-
Total contributed equity		140,050	138,368	140,050

	Note	Half year ended 31 Dec 2013		Half year ended 31 Dec 2012	
		Number of shares	\$'000	Number of shares	\$'000
(a) Movements in ordinary issued shares during the half year:					
Beginning of the half year		130,095,322	140,050	130,095,322	140,050
Movements during the half year		-	-	-	-
End of the half year		130,095,322	140,050	130,095,322	140,050

	Note	Half year ended 31 Dec 2013		Half year ended 31 Dec 2012	
		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		(249,000)	(1,682)	(303,000)	(1,290)
Movements during the half year					
Ordinary shares acquired by the Breville Group Performance Share Plan Trust during the half year - cash	(i)	(121,500)	(1,041)	(34,500)	(200)
Ordinary shares transferred to participants of the Breville Group Performance Share Plan	(ii)	370,500	2,723	337,500	1,490
End of the half year		-	-	-	-

(i) During the half year the Trustee of the Breville Group Performance Share Plan Trust acquired 121,500 ordinary shares (2012: 34,500) in order to fulfil its obligations under the Breville Group Performance Share Plan. The average value placed on these acquisitions was \$8.57 per share (2012: \$5.81 per share).

(ii) During the half year the Trustee of the Breville Group Performance Share Plan Trust transferred 370,500 ordinary company shares (2012: 337,500) 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 2013

Note 9. Operating segments

As the business continues to expand geographically, the group has consolidated certain of its operating segments to be more consistent with its geographic growth strategies.

The following tables present the revenue and profit information regarding operating segments for the half year periods ended 31 December 2013 and 31 December 2012.

	ANZ Distribution \$'000	North America Distribution \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Half year ended 31 December 2013					
Revenue					
Sale of goods	144,622	128,726	36,634	-	309,982
Commission income	-	1,295	-	-	1,295
Inter segment revenue	-	-	7,537	14,249	21,786
Total segment revenue	144,622	130,021	44,171	14,249	333,063
Inter segment elimination					(21,786)
Total consolidated revenue					311,277
Segment results					
EBITDA	16,581	22,914	9,563	80	49,138
Depreciation & amortisation	(519)	(162)	(16)	(2,848)	(3,545)
EBIT	16,062	22,752	9,547	(2,768)	45,593
Finance income	374	14	3	-	391
Finance costs	(320)	(468)	(257)	-	(1,045)
Profit before income tax – Segment profit	16,116	22,298	9,293	(2,768)	44,939

Notes to the half year report (continued)

for the half year ended 31 December 2013

Note 9. Operating segments (continued)

The following table has been restated following a change to the composition of operating segments in the six months to 31 December 2013.

	ANZ Distribution \$'000	North America Distribution \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Half year ended 31 December 2012					
Revenue					
Sale of goods	130,946	99,081	21,666	-	251,693
Commission income	-	12,728	-	-	12,728
Inter segment revenue	-	-	4,025	12,652	16,677
Total segment revenue	130,946	111,809	25,691	12,652	281,098
Inter segment elimination					(16,677)
Total consolidated revenue					264,421
Segment results					
EBITDA	17,441	26,000	7,476	(1,179)	49,738
Depreciation & amortisation	(537)	(186)	(5)	(2,903)	(3,631)
EBIT	16,904	25,814	7,471	(4,082)	46,107
Finance income	656	24	6	-	686
Finance costs	(320)	(424)	(66)	-	(810)
Profit before income tax – Segment profit	17,240	25,414	7,411	(4,082)	45,983

Notes to the half year report (continued)

for the half year ended 31 December 2013

Note 10. Commitments and contingencies

At 31 December 2013, there are no material contingent liabilities or contingent assets.

Note 11. 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 2013 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
20 February 2014

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, which comprises the condensed statement of financial position as at 31 December 2013, 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 summary of significant 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 2013 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.

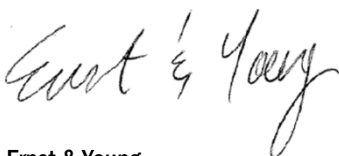
Independence

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 included 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 2013 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*.



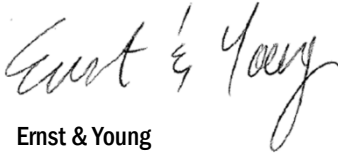
Ernst & Young



P S Barnard
Partner
Sydney
20 February 2014

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 2013, 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.



Ernst & Young



P S Barnard
Partner
20 February 2014