20 August 2015

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

Year Ended 30 June 2015
Year End Report Announcement

Attached is a copy of the Breville Group Limited Year End Report Announcement for the Year Ended 30 June 2015.

Yours faithfully

Sasha Kitto
Company Secretary
Breville Group Limited

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Breville

20 August 2015

Breville Group Limited results – year ended 30 June 2015

Revenue of $527.0m and EBIT of $69.6m
4.8% EBIT growth in second half
Fully franked final dividend 13.0 cents per share

Group summary result

AUDm[1]	2H15	2H14	% Chng	FY15	FY14	% Chng
Revenue	**233.1**	230.3	**1.2%**	**527.0**	541.6	**(2.7%)**
EBITDA	**29.8**	28.8	**3.5%**	**77.0**	77.9	**(1.2%)**
EBIT	**26.0**	24.9	**4.8%**	**69.6**	70.4	**(1.2%)**
NPAT	**17.0**	17.6	**(3.2%)**	**46.7**	48.8	**(4.3%)**
Basic EPS (cents)				**35.9**	37.5	**(4.3%)**
ROE[2] (%)				**20.2%**	22.9%	
Div per share - ordinary (cents)				**27.0**	27.0	**0.0%**
Franked (%)				**100%**	100%	
Net cash ($m)				**32.8**	47.0	

- 2H15 EBIT growth in line with guidance
- Solid North American segment performance during the second half of the 2015 financial year with strong performance, particularly in core categories
- Breville designed products in ANZ performed well and sales were broadly in line with last year despite the one-off business disruption of the transition to a new ERP system
- Continued success in the UK under the Sage brand, double digit revenue growth
- North America and the Rest of World segments combined, continue to grow as a percentage of the Group's EBIT
- NPAT impacted by increase in net finance costs and higher effective tax rate
- Dividend of 13.0 cents per share maintained
- CEO Jim Clayton commenced on 1 July 2015

Commenting on the Group's performance, new Breville Group CEO, Jim Clayton said, *"It is pleasing to see the improved second half performance and we expect that this positive momentum in core categories will flow through to FY16."*

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Segment results

AUDm[1]	REVENUE FY15	REVENUE FY14	REVENUE % Chng	EBIT FY15	EBIT FY14	EBIT % Chng
North America	**203.1**	200.2	**1.4%**	**31.9**	30.1	**5.9%**
Australia and New Zealand (ANZ)	**245.1**	261.6	**(6.3%)**	**18.3**	24.9	**(26.2%)**
Rest of World	**78.8**	79.8	**(1.2%)**	**20.3**	20.2	**0.7%**
Other	**-**	-	**-**	**(0.9)**	(4.7)	**-**
TOTAL	**527.0**	541.6	**(2.7%)**	**69.6**	70.4	**(1.2%)**

North America

Encouragingly, in the second half of the financial year, in local currencies, revenue increased by 8.8% (24.1% in AUD) compared to the prior corresponding period (pcp). This positive revenue result was underpinned by growth in core categories, following a soft first half where revenue was AUD14.0m or 10.8% less than the pcp as the juicer category continued to re-set. This category showed early signs of stabilising late in 2H15. Reported North American revenue for the year increased by 1.4% to $203.1m (FY14: $200.2m).

Reported EBIT for the year increased by 5.9% to $31.9m (FY14: $30.1m) and in local currencies was broadly in line with the prior year. A more favourable product mix and lower warranty expenses on certain SKU's which were being phased out, contributed to the increase in the segment EBIT margin to 15.7% (FY14: 15.0%).

ANZ

The ANZ business as a whole experienced a challenging financial year, particularly in the second half, although the Breville designed and developed products continued to perform well through the year.

The 2H15 was adversely impacted by the:

- one-off disruption and associated costs of the transition to the new ERP system in Australia during April/May 2015; and
- continuation of discount department store retailers favouring their own home brands in the entry to mid-price points in which the Group's Kambrook/Ronson brands operate.

Revenue for the year decreased by $16.5m (6.3%) to $245.1m (FY14: $261.6m), of which $14.7m related to the second half of the financial year. EBIT decreased to $18.3m (FY14: $24.9m) with the overall EBIT margin decreasing from 9.5% in the prior year to 7.5% in the current financial year.

EBIT was negatively impacted in the second half by lower revenue primarily in the entry to mid-price points, the ERP implementation in April/May 2015 which accounted for approximately $2.0m of the EBIT decrease; and the negative impact of the USD, which continued to strengthen during the period. Price increases effected in both the first and the second half of the financial year, along with the benefit of cost efficiency savings, did not fully offset the negative currency impact and volume shortfall.

Rest of World

This segment comprises the Rest of the World distribution business supplied from Hong Kong as well as the Group's UK business.

The UK business, which distributes Breville designed and developed products under company-owned brand, Sage, produced an encouraging result as it continued to build relevance with premium UK retailers and an increased product resonance with consumers. The business reported double digit revenue growth in the year.

A number of our European distribution partners are experiencing both economic and competitive challenges in their markets, which impacted Rest of World revenue.

Total revenue decreased by 1.2% to $78.8m (FY14: $79.8m) whilst EBIT increased by 0.7% to $20.3m (FY14: $20.2m). Lower Rest of World distribution business revenue in the year was largely offset by higher revenue in the UK which represented approximately 25% of the segment's revenue (FY14: approximately 20%).

Other

The Group's Other reporting segment includes the Group's shared service facility, design and development and global marketing functions, as well as the amortisation charge on capitalised product development projects.

The net change from the prior year is attributable to a net over-recovery of intra-group charges and lower employee short term and long term incentive expenses.

The higher net finance costs relate to the discounting, required for accounting purposes, of the long term payable in respect of the expected future earn-out associated with the July 2014 acquisition of the culinary division of the USA based PolyScience business.

Working capital

The total investment in working capital ended higher, as previously foreshadowed, compared to that of the prior year.

Inventory balances at 30 June 2015 of $108.3m (FY14: $94.3m) were $14.0m higher than the prior year, of which approximately $8.5m is due to the translation effect of a weaker AUD when converting non-AUD denominated balances into AUD. The remaining increase is broadly distributed across all regions.

Receivables compared to the prior year were $8.9m higher, of which approximately $4.7m relates to the translation impact of the weaker AUD compared to the previous year. The remaining increase is primarily due to higher North American revenue in local currencies in the last quarter of the 2015 financial year compared to the same period in the prior year.

Net cash at 30 June 2015 was $32.8m compared to $47.0m at the same time last year.

Capital expenditure

During the year, the Group completed its investment in its previously highlighted capital expenditure projects; the relocation of its Sydney-based Australian business and corporate head office to new leased premises and the implementation of and transition to a new ERP system within the ANZ segment.

Dividends

A fully franked final dividend of 13.0 cents per share has been declared (2H14: 13.0 cents) bringing the total dividends for the year to 27.0 cents per share (FY14: 27.0 cents per share). This final dividend will have a record date of 18 September 2015 and will be payable on 9 October 2015.

The Directors have resolved to continue to suspend the operation of the Dividend Reinvestment Plan.

The ongoing contribution of the international businesses may impact the extent to which the Group is able to frank future dividends.

Outlook

CEO, Jim Clayton said, "*Based on what I have seen in my short time at Breville, I believe Breville has the core building blocks for achieving meaningful global success: a passionate and capable team; a solid, innovation-driven business model; compelling products with a deep pipeline; a well-positioned brand across geographies; and key strategic alliances. These building blocks, coupled with a strong balance sheet, provide a platform for taking advantage of future growth opportunities.*"

For further information, please contact:
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(02) 9384 8100

[1] *Minor differences may arise due to rounding.*

[2] *ROE is calculated based on NPAT for the 12 months ended 30 June 2015 (FY14: 12 months ended 30 June 2014) divided by shareholders' equity at 30 June.*