

26 February 2010

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

**Half Year Ended 31 December 2009
Appendix 4D**

Attached is a copy of Breville Group Limited Half Year Report Appendix 4D including Independent Review and Auditor's Independence Declaration for the Half Year Ended 31 December 2009.

Yours faithfully



Shiraz Khan
Company Secretary
Breville Group Limited

Telephone: (02) 9384 8100

Breville Group Limited

ACN 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 2009
Previous corresponding period [1]: half year ended 31 December 2008

Results for announcement to the market

	Percentage change			Amount
	Up or down	%		A\$'000
Total sales revenues [2.1]	Down	3.8	to	236,852
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Up	10.8	to	25,645
Underlying earnings before interest, tax, depreciation & amortisation (Underlying EBITDA)	Up	26.8	to	32,517
Earnings before interest and tax (EBIT)	Up	10.8	to	22,168
Net profit after tax for the half year attributable to members [2.2] [2.3]	Up	42.6	to	15,348
Underlying net profit after tax for the half year attributable to members	Up	37.1	to	19,730
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	1 APR 2010	6.0¢	0.0¢	0.0¢
Previous corresponding period	8 APR 2009	4.0¢	0.0¢	0.0¢
The record date for determining entitlements to the interim dividend [2.5]: 18 March 2010				
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 press release accompanying this half year report.				

Net tangible assets [3]

	Current period	Previous corresponding period
Net tangible assets per security	59.18¢	59.89 ¢

Control gained or lost over entities [4]

The group has not gained control of, or lost control of, any entities during the half year ended 31 December 2009.

Total dividend paid / payable [5]

	Current period A\$'000	Previous corresponding period A\$'000
Final dividend paid	1,943	2,590

Associates and joint venture entities [7]

Name of associates and joint venture entities	Percentage holdings in associates and joint venture entities	Current period	Previous corresponding period
		A\$'000	A\$'000
HWI China Limited	50%		
Aggregate share of profit of associates and joint venture entities		-	-

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 2009.

No review dispute or qualification is contained in the attached independent review report for the half year ended 31 December 2009 [9].

Sign here:



Shiraz Khan
Company secretary

Date:

26 February 2010

Breville Group Limited

ACN 086 933 431

Half year report

FOR THE HALF YEAR ENDED

31 December 2009

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Corporate information

This half year report covers the consolidated entity comprising Breville Group Limited and its subsidiaries (the 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

John Schmoll
Non-executive chairman

Steven Fisher
Non-executive director

Dean Howell
Non-executive director

Steven Klein
Non-executive director

Samuel Weiss
Non-executive director

Company secretary

Shiraz Khan

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

www.brevillegroup.com
www.breville.com
www.kambrook.com.au

ACN

Breville Group Limited ACN 086 933 431

Share register

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

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

Auditors

Ernst & Young
680 George Street
Sydney NSW 2000

Solicitors

Arnold Bloch Leibler
333 Collins Street
Melbourne Victoria 3000

Bankers

Australia and New Zealand Banking Group Limited
530 Collins Street
Melbourne Victoria 3000

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 2009.

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.

John Schmoll	Non-executive chairman
Steven Fisher	Non-executive director
Dean Howell	Non-executive director
Steven Klein	Non-executive director
Samuel Weiss	Non-executive director

Review of results and operations

Sales revenues of the consolidated entity for the half year to 31 December 2009 were \$236,852,000 which was down 3.8% from the consolidated sales revenues for the previous corresponding half year (2008: \$246,276,000).

The group's profit after tax attributable to shareholders for the half year to 31 December 2009 was \$15,348,000. This was up 42.6% on the previous corresponding half year result of \$10,766,000. If non-trading items were to be excluded, the group underlying net profit after tax for the half year to 31 December 2009 would be \$19,730,000 which is up 37.1% on the previous corresponding half year (2008: \$14,388,000).

The basic earnings per share for the consolidated entity was 11.85 cents per share (2008: 8.31 cents per share). The basic earnings per share calculated using the underlying net profit after tax was 15.23 cents per share (2008: 11.11 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 and homewares in the consumer products industry. The consolidated entity operated in the principal markets of Australia, the United States of America, Canada, New Zealand and Hong Kong.

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 98/0100. The company is an entity to which the class order applies.

Auditor's independence declaration

Attached on page 23 is a copy of the auditor's declaration provided under section 307C of the Corporations Act 2001 in relation to the review for the half year ended 31 December 2009. This auditor's declaration forms part of this directors' report.

Signed in accordance with a resolution of the directors.



John Schmoll
Non-executive chairman

Sydney
26 February 2010

Income statement

for the half year ended 31 December 2009

		Consolidated	
		Half year ended 31 Dec 2009	Half year ended 31 Dec 2008
		\$'000	\$'000
	Note		
Revenue		236,852	246,276
Cost of sales		(161,693)	(172,817)
Gross profit		75,159	73,459
Other income		661	495
Employee benefits expenses		(25,148)	(26,471)
Premises, lease & utilities expenses		(6,497)	(6,164)
Advertising expenses		(6,316)	(10,253)
Other expenses		(5,342)	(5,414)
Underlying earnings before interest, tax, depreciation & amortisation (Underlying EBITDA)		32,517	25,652
Non-trading items	2(a)	(6,872)	(2,509)
Earnings before interest, tax, depreciation & amortisation (EBITDA)		25,645	23,143
Depreciation & amortisation expenses		(3,477)	(3,137)
Earnings before interest and tax (EBIT)		22,168	20,006
Finance costs		(2,460)	(2,767)
Non-trading item	2(b)	599	(2,705)
Profit before income tax		20,307	14,534
Income tax expense		(4,959)	(3,768)
Net profit for the half year attributable to members of Breville Group Limited	(a)	15,348	10,766
(a) Non-trading items included within net profit attributable to members of Breville Group Limited:			
Non-trading items	2(c)	4,382	3,622
Underlying net profit after tax		19,730	14,388
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the parent entity:			
- basic earnings per share		11.85	8.31
- diluted earnings per share		11.68	8.23
Earnings per share for underlying profit attributable to the ordinary equity holders of the parent entity:			
- basic earnings per share		15.23	11.11
- diluted earnings per share		15.01	11.00

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

Statement of comprehensive income

for the half year ended 31 December 2009

	Consolidated	
	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Net profit for the half year	15,348	10,766
Other comprehensive (loss)/income		
Foreign currency translation differences for foreign operations	(1,996)	6,188
Net change in fair value of cash flow hedges	2,347	1,948
Income tax on other comprehensive income	(820)	(3,597)
Other comprehensive income for the half year, net of income tax	(469)	4,539
Total comprehensive income for the half year attributable to members of Breville Group Limited	14,879	15,305

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

Statement of financial position

as at 31 December 2009

		Consolidated		
		31 Dec 2009	30 June 2009	31 Dec 2008
Note		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	4, 7	15,641	6,290	7,134
Trade and other receivables		89,574	68,608	103,082
Inventories		66,185	68,243	103,000
Other financial assets		377	77	1,568
Current tax assets		76	303	687
Other assets		1,440	1,488	2,045
Total current assets		173,293	145,009	217,516
Non-current assets				
Investments in jointly controlled entities		-	-	-
Plant and equipment	5	7,519	8,222	9,177
Deferred tax assets		14,269	15,837	13,200
Intangible assets – other	6	43,179	43,152	42,156
Intangible assets – goodwill		24,558	24,558	24,558
Total non-current assets		89,525	91,769	89,091
Total assets		262,818	236,778	306,607
Current liabilities				
Trade and other payables		56,598	42,247	61,841
Borrowings	7	4,254	9,944	46,875
Current tax liabilities		2,031	2,944	3,159
Provisions		6,838	6,316	6,011
Other financial liabilities		3,618	6,736	3,010
Total current liabilities		73,339	68,187	120,896
Non-current liabilities				
Borrowings	7	35,298	29,354	35,429
Deferred tax liabilities		5,100	5,027	4,687
Provisions		4,700	2,897	1,309
Total non-current liabilities		45,098	37,278	41,425
Total liabilities		118,437	105,465	162,321
Net assets		144,381	131,313	144,286
Equity				
Issued capital	8	137,598	137,581	137,581
Reserves		(13,628)	(13,274)	(4,493)
Retained earnings		20,411	7,006	11,198
Total equity		144,381	131,313	144,286

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

Cash flow statement

for the half year ended 31 December 2009

		Consolidated	
		Half year ended 31 Dec 2009	Half year ended 31 Dec 2008
		\$'000	\$'000
	Note		
Cash flows from/(used in) operating activities			
Receipts from customers		222,210	232,548
Payments to suppliers and employees (excluding non-trading items)		(198,878)	(248,419)
Finance costs paid		(2,286)	(2,564)
Income tax paid		(4,566)	(762)
Finance income received		40	65
Net cash flows from/(used in) operating activities (excluding non-trading items)		16,520	(19,132)
Non-trading items paid	2(d)	(2,764)	(797)
Net cash flows from/(used in) operating activities		13,756	(19,929)
Cash flows used in investing activities			
Proceeds from sale of plant and equipment	5	22	18
Purchase of plant and equipment	5	(804)	(800)
Purchase of intangible assets	6	(2,240)	(2,285)
Net cash flows used in investing activities		(3,022)	(3,067)
Cash flows (used in)/from financing activities			
Net (repayment)/proceeds (of)/from borrowings		(1,354)	28,864
Proceeds from repayment of senior executive option plan loans	8(b)	17	17
Equity dividends paid	3(a)	(1,931)	(2,574)
Net cash flows (used in)/from financing activities		(3,268)	26,307
Net increase in cash and cash equivalents		7,466	3,311
Cash and cash equivalents at beginning of the half year		6,289	3,206
Net foreign exchange difference		(100)	(421)
Cash and cash equivalents at end of the half year	4	13,655	6,096

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

Statement of changes in equity

for the half year ended 31 December 2009

	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
At 1 July 2008		137,564	(8,900)	3,022	131,686
Foreign currency translation reserve		-	6,188	-	6,188
Cash flow hedges		-	1,948	-	1,948
Income tax on items taken directly to equity		-	(3,597)	-	(3,597)
Net income recognised directly in equity		-	4,539	-	4,539
Profit for the half year		-	-	10,766	10,766
Total recognised income for the half year		-	4,539	10,766	15,305
Dividends paid	3(a)	-	-	(2,590)	(2,590)
Non-recourse senior executive option plan loan changes	8(b)	17	-	-	17
Share-based payments		-	(132)	-	(132)
At 31 December 2008		137,581	(4,493)	11,198	144,286
At 1 July 2009		137,581	(13,274)	7,006	131,313
Foreign currency translation reserve		-	(1,996)	-	(1,996)
Cash flow hedges		-	2,347	-	2,347
Income tax on items taken directly to equity		-	(820)	-	(820)
Net loss recognised directly in equity		-	(469)	-	(469)
Profit for the half year		-	-	15,348	15,348
Total recognised (loss)/income for the half year		-	(469)	15,348	14,879
Dividends paid	3(a)	-	-	(1,943)	(1,943)
Non-recourse senior executive option plan loan changes	8(b)	17	-	-	17
Share-based payments		-	115	-	115
At 31 December 2009		137,598	(13,628)	20,411	144,381

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 2009

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 2009 was authorised for issue in accordance with a resolution of the directors on 26 February 2010. Breville Group Limited is a 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 2009.

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 2009 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 98/0100. 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 half year consolidated financial statements have been prepared using the same accounting policies used in the annual financial statements for the year ended 30 June 2009, with the exception of the following:

- **AASB 8 *Operating Segments*:** As of 1 July 2009 the group determines and presents operating segments based on information that internally is provided to the CEO and Board of Directors, who are collectively the chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is as follows.

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including inter-group revenues and expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

The Australia, North America and New Zealand operating segments distribute primarily small electrical appliances to retail customers in their geographical locations.

The Global Distribution operating segment distributes primarily small electrical appliances to retail customers in international locations.

Notes to the half year report

for the half year ended 31 December 2009

Note 1. Basis of preparation of the half year financial report (continued)

(b) Summary of significant accounting policies (continued)

(ii) Significant accounting policies (continued)

- AASB 101 *Presentation of Financial Statements*: As of 1 July 2009, the financial report includes a statement of comprehensive income and the balance sheet has been renamed the statement of financial position.

(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 2009 (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.

During the half year ended 31 December 2009 the group has continued to focus on working capital management resulting in a reduction in inventory and net debt levels compared to both year-end and the previous corresponding half year.

Notes to the half year report (continued)

for the half year ended 31 December 2009

	Consolidated	
	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Note 2. Non-trading items		
(a) Non-trading items - EBITDA		
- Redundancy costs	306	386
- Onerous lease expense	2,504	572
- Foreign exchange (gains)/losses	(149)	1,551
- Takeover response costs	4,211	-
Total non-trading items - EBITDA	6,872	2,509
(b) Non-trading item – Finance costs		
- Interest rate swap (gain)/loss	(599)	2,705
Total non-trading item – Finance costs	(599)	2,705
(c) Non-trading items – Net profit after tax		
- Redundancy costs	202	241
- Onerous lease expense	1,753	401
- Foreign exchange (gains)/losses	(102)	1,086
- Takeover response costs	2,948	-
- Interest rate swap (gain)/loss	(419)	1,894
Total non-trading items – Net profit after tax	4,382	3,622
(d) Non-trading items – Net cash flows used in operating activities		
- Redundancy costs	306	386
- Net costs associated with onerous leases	1,247	411
- Takeover response costs	1,211	-
Total non-trading items – Net cash flows used in operating activities	2,764	797

Notes to the half year report (continued)

for the half year ended 31 December 2009

	Consolidated	
	Half year ended 31 Dec 2009 \$'000	Half year ended 31 Dec 2008 \$'000
Note 3. Dividends		
(a) Dividends on ordinary shares paid during the half year to equity holders		
Final unfranked dividend for financial year ended 30 June 2009 of 1.5 cents per share (FY2008: 2.0 cents)		
- Dividend paid in cash	1,931	2,574
- Dividend retained as interest income	12	16
Total final dividend	1,943	2,590
(b) Dividends proposed and not recognised as a liability to equity holders		
Interim unfranked dividend for the financial year ending 30 June 2010 of 6.0 cents per share (FY2009: 4.0 cents)		
	7,771	5,181
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	15,641	7,134
Borrowings (current) – bank overdraft	(1,986)	(1,038)
Total cash and cash equivalents	13,655	6,096

Notes to the half year report (continued)

for the half year ended 31 December 2009

Note 5. Plant and equipment

Acquisitions and disposals

During the half year ended 31 December 2009, the group capitalised items into plant and equipment with a cost of \$804,000 (2008: \$874,000). Plant and equipment with a net book value of \$21,000 were disposed of by the group during the half year ended 31 December 2009 (2008: \$17,000), resulting in a profit on disposal of \$1,000 (2008: profit \$1,000).

Note 6. Intangible assets – other

Additions

During the half year ended 31 December 2009, the group capitalised items into intangible assets – other (including computer software and development costs) with a cost of \$2,240,000 (2008: \$2,285,000).

Note 7. Borrowings

During the half year ended 31 December 2009 the group has continued to focus on working capital management resulting in a reduction in inventory and net debt levels compared to both year-end and the previous corresponding half year.

Total borrowings, net of cash assets, of the group at 31 December 2009 were \$23,911,000 (2008: \$75,170,000).

		Consolidated	
		Half year ended 31 Dec 2009	Half year ended 31 Dec 2008
Note		\$'000	\$'000
Note 8. Issued capital			
Ordinary shares – issued	(a)	139,096	139,096
Ordinary shares – reserved under senior executive option plan (SEOP)	(b)	(1,498)	(1,515)
Total contributed equity		137,598	137,581

Notes to the half year report (continued)

for the half year ended 31 December 2009

		Consolidated			
		Half year ended 31 Dec 2009		Half year ended 31 Dec 2008	
Note		Number of shares	\$'000	Number of shares	\$'000
Note 8. Issued capital (continued)					
(a) Movements in ordinary issued shares during the half year:					
Beginning of the half year		129,515,322	139,096	129,515,322	139,109
Movements during the year					
- loss on release of ordinary reserved shares		-	-	-	(13)
End of the half year		129,515,322	139,096	129,515,322	139,096

- (i) During the previous corresponding half year 15,882 ordinary reserved shares were repaid for an average of \$1.05 per share. A non-recourse loan was originally granted for the exercise of these shares at \$1.85 per share. The difference between the carrying value of the loan and the amount repaid resulted in a \$13,000 reduction to contributed equity.

		Consolidated			
		Half year ended 31 Dec 2009		Half year ended 31 Dec 2008	
Note		Number of shares	\$'000	Number of shares	\$'000
(b) Movements in ordinary reserved shares during the half year:					
Beginning of the half year		(816,000)	(1,515)	(831,882)	(1,545)
Ordinary reserved shares repaid during the year		9,000	17	15,882	17
Loss on ordinary reserve shares repaid during the year		-	-	-	13
End of the half year		(807,000)	(1,498)	(816,000)	(1,515)

- (i) During the half year 9,000 ordinary reserved shares (2008: 15,882) were repaid. The average value placed on these issues was \$1.85 per share (2008: \$1.85 per share). The average amount repaid equalled \$1.85 (2008: \$1.05).
- (ii) 15,882 ordinary reserved shares were repaid during the previous corresponding half year for an average of \$1.05 per share. A non recourse loan was originally granted for the exercise of these shares at \$1.85 per share. The difference between the carrying value of the loan and the amount repaid resulted in a \$13,000 reduction to contributed equity.

Notes to the half year report (continued)

for the half year ended 31 December 2009

Note 9. Operating segments

The following tables present the revenue and profit information regarding operating segments for the half year periods ended 31 December 2009 and 31 December 2008.

	Australia \$'000	North America \$'000	New Zealand \$'000	Global Distribution \$'000	Other [^] \$'000	Total \$'000
Half year ended 31 December 2009						
Segment revenue						
Sales to external customers	121,594	90,915	14,016	10,327*	-	236,852
Inter segment revenue	3,621	-	-	2,592	2,189	8,402
Total segment revenue	125,215	90,915	14,016	12,919	2,189	245,254
Inter segment elimination						(8,402)
Total consolidated revenue						236,852
* relates to various foreign countries						
Underlying EBITDA	18,040	11,333	1,080	4,071	(2,007)	32,517
Underlying profit before income tax – Segment profit	14,601	10,124	1,005	3,988	(3,138)	26,580
Reconciliation of segment profit to the income statement						
Redundancy costs						(306)
Onerous lease expense						(2,504)
Foreign exchange gains						149
Takeover response costs						(4,211)
Interest rate swap gain						599
Profit before income tax						20,307

[^]: 'Other' includes head office income and costs which are not allocated to the operating segments.

Notes to the half year report (continued)

for the half year ended 31 December 2009

Note 9. Operating segments (continued)

	Australia \$'000	North America \$'000	New Zealand \$'000	Global Distribution \$'000	Other [^] \$'000	Total \$'000
Half year ended 31 December 2008						
Segment revenue						
Sales to external customers	115,703	88,842	18,482	23,249*	-	246,276
Inter segment revenue	4,243	-	-	2,924	1,870	9,037
Total segment revenue	119,946	88,842	18,482	26,173	1,870	255,313
Inter segment elimination						(9,037)
Total consolidated revenue						246,276
* relates to various foreign countries						
Underlying EBITDA	16,426	2,185	767	7,101	(827)	25,652
Underlying profit before income tax – Segment profit	14,031	555	396	6,971	(2,205)	19,748
Reconciliation of segment profit to the income statement						
Redundancy costs						(386)
Onerous lease expense						(572)
Foreign exchange losses						(1,551)
Interest rate swap loss						(2,705)
Profit before income tax						14,534

[^]: 'Other' includes head office income and costs which are not allocated to the operating segments.

Notes to the half year report (continued)

for the half year ended 31 December 2009

Note 10. Commitments and contingencies

Since 31 December 2009, there has been no material change of any 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 statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) comply 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



John Schmoll
Non-executive chairman

Sydney
26 February 2010

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 statement of financial position as at 31 December 2009, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2009 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.

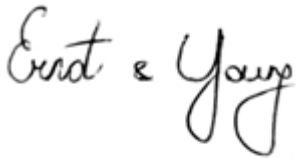
Independence

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 financial 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 interim financial report of Breville Group Limited is not 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 2009 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*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

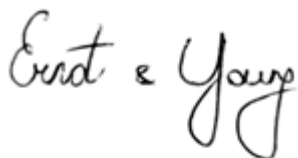
Ernst & Young

A handwritten signature in cursive script that reads 'C. M. Hosking'.

Colleen Hosking
Partner
Sydney
26 February 2010

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 2009, 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.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'C. M. Hosking'.

Colleen Hosking
Partner
Sydney
26 February 2010