

27 January 2010

Further earnings update

Breville Group Limited (Breville) provides the following further update in relation to its expected FY2010 results.

Half-year ended December 2009

Breville is in the process of finalising its trading results for H1 FY2010, however on the basis of preliminary results available at this stage, it is expected that H1 FY2010 underlying EBITDA¹ will be approximately \$30 million (H1 FY2009: \$25.1 million). It is expected that, excluding the onerous lease obligation², H1 FY2010 pro forma EBITDA will be approximately \$32 million.

These preliminary half year results follow a stronger than expected performance across Breville's core Australian and North American businesses.

The preliminary half-year results are subject to finalisation by the Company and review by Breville's external auditors.

CEO, Stephen Audsley, said "Our performance in November and particularly December was well ahead of expectations, and affirms our strategy of focusing on innovative products and leveraging those products across multiple geographies. Breville's performance in North America was especially pleasing, with a substantial improvement in what remains a challenging retail environment."

Breville's improved earnings performance has also translated to stronger cash flow generation, which together with a continued focus on working capital management, has led to a material reduction in both inventory and net debt levels compared to the previous corresponding period.

FY2010 Guidance

As the H1 preliminary trading results are stronger than expected, Breville now expects to deliver full year underlying EBITDA¹ for FY2010 in the range of \$43 - 46 million (FY2009: \$33.6 million).

Excluding the onerous lease obligation², Breville expects full year pro forma EBITDA for FY2010 to be in the range of \$46 - 49 million.

This compares to Breville's previous guidance³ for FY2010 of full year underlying EBITDA¹ of \$38.7 million and pro forma EBITDA² (excluding the onerous lease obligation) of \$41.1 million.

Breville's earnings expectations are based on a number of assumptions, including that there will be no significant changes in the current economic conditions or to consumer sentiment in the key markets in which Breville operates. They also assume no significant change in prevailing foreign exchange rates.

Breville will release its half year results on 26 February 2010.



Shiraz Khan
Company Secretary

¹ Excludes the impact of redundancy costs and non-trading foreign exchange gains/losses in FY2009 and takeover response costs in FY2010.

² Underlying EBITDA pro forma adjusted for onerous lease costs. The relevant onerous lease is discussed further in section 5.6(c) of Breville's Target's Statement dated 16 November 2009.

³ As per Breville's Target's Statement dated 16 November 2009.