

10 November 2009

Breville trading update

Full year forecast underlying EBITDA¹ expected to be approx. \$38.5 million

Breville Group Limited (Breville) today announced a trading update with sales and earnings exceeding expectations based on trading for the year to date.

Following positive trading, Breville expects full year forecast underlying earnings before interest, tax, depreciation and amortisation (EBITDA¹) to be approx. \$38.5 million and full year underlying net profit after tax (NPAT¹) to be approx. \$19.0 million.

This compares to broker consensus estimates² of \$35.2 million for FY2010 EBITDA and \$17.8 million for FY2010 NPAT.

Adjusting for an onerous lease obligation in relation to a property in Victoria (surplus to Breville's requirements following the sale of Breville's Australian homewares business in March 2007), Breville expects adjusted forecast EBITDA to be approx. \$41 million³ and adjusted forecast NPAT to be approx. \$21 million³.

Breville expects to deliver this earnings growth despite adverse foreign exchange movements on the translation of its international earnings and despite having partly hedged its net USD import commitments at rates below the current spot exchange rate.

Breville's earnings' expectations assume no significant changes occur in the current economic conditions or to consumer sentiment in the markets in which Breville operates. They also assume no material change in prevailing foreign exchange rates. Breville's Target's Statement in relation to GUD's takeover offer will contain further details in relation to the assumptions relating to Breville's expected FY2010 earnings.

Breville CEO Mr Stephen Audsley said, "We have seen an improvement in trading particularly in Breville's core Australian and North American markets. Sales in the first four months of the financial year have been pleasing and trading conditions continue to show positive signs during the important pre-Christmas sell in period."

"Based on current trading conditions, our strong momentum is expected to accelerate the growth on the previous corresponding period as we head into the second half."

"Breville has also begun to realise the benefits of recent cost reductions and is well positioned to benefit from any improvements in economic and retail conditions in markets in which we participate", Mr Audsley said.



Shiraz Khan
Company Secretary

¹ Forecast underlying EBITDA and forecast underlying NPAT excludes the impact of redundancy costs, non-trading foreign exchange gains/losses, interest rate swap gains/losses and takeover response costs.

² Broker consensus based on the average of the brokers which currently cover Breville, being Credit Suisse, GSJBWere, Macquarie and Wilson HTM.

³ In FY2009, the pre-tax onerous lease expense (net of sub-lease income) was \$2 million. In FY2010, the pre-tax onerous lease expense (assuming no sub-lease income) is forecast to be \$2.5 million.