

27 January 2009

ASX Announcement

COMPANY UPDATE

Breville Group Limited ("BRG") provides the following update in relation to its expected results for the 6 months ended 31 December 2008.

As a result of the softness in the retail market in the latter part of calendar 2008, especially in BRG's offshore markets, BRG's unaudited underlying* profit after tax for the 6 months ended 31 December 2008 is expected to be between 5% and 10% lower than that recorded for the 6 months ended 31 December 2007.

In addition, BRG expects to incur the following non trading, non cash, unrealised mark-to-market losses:

- (a) due to the significant decline in the value of the Australian dollar, BRG expects to record a mark-to-market pre-tax loss of approximately \$1.6m (prior comparative period a \$1.4m pre-tax gain) arising on amounts owing between wholly-owned group companies; and
- (b) BRG has in place an interest rate swap which, given the recent downward movement in interest rates, is expected to result in a mark-to-market pre-tax loss of \$2.7m (prior comparative period a \$0.4m pre-tax gain).

The guidance included in this update is preliminary in nature as it is subject to finalisation by the Company and review by BRG's external auditors. Accordingly, the actual results for the 6 months ended 31 December 2008, due to be announced on 25 February 2009, may differ from the guidance given in this update.

** before taking into account items referred to in (a) and (b) above.*



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