

24 August 2009

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

**Full Year Reports – 30 June 2009**

**Investor Presentation**

Attached is a copy of the Breville Group Limited Investor Presentation for the Year Ended 30 June 2009.

Yours faithfully



Shiraz Khan  
Company Secretary  
Breville Group Limited

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# Breville Group Limited

## YEAR END RESULTS FY09

### INVESTOR PRESENTATION

Stephen Audsley - Chief Executive Officer  
Mervyn Cohen - Chief Financial Officer

**August 2009**



## Results Summary

- Group sales \$431.9m +5.3%
- Group Underlying\* EBITDA \$33.6m -4.9%
- Group Underlying\* PAT \$15.9m -17.1%
- Underlying\* EPS 12.2 cents (2008: 15.1 cents)
- DPS: 5.5 cents (2008: 10.5 cents)
- Strong Balance Sheet - Conservative financing :
  - Gearing: 20.1% (FY08: 24.8%)
  - Interest cover: 6.0 times (FY08: 5.9 times)



\* Underlying excludes the impact of non-trading, non cash unrealised mark to market amounts (i.e. non-trading net foreign exchange and interest rate swap losses/gains) and redundancy costs.

# Financial Results Summary

A\$ Million	REPORTED			UNDERLYING*		
	FY09	FY08	% Chng	FY09	FY08	% Chng
Group Sales Revenue	431.9	410.2	5.3	431.9	410.2	5.3
EBITDA	30.0	37.2	(19.4)	33.6	35.3	(4.9)
EBIT	23.4	31.9	(26.5)	27.1	30.1	(10.0)
PAT	11.8	20.9	(43.7)	15.9	19.1	(17.1)
Basic EPS (cents)	9.1	16.5		12.2	15.1	
Dividend per share (cents)						
- Interim	4.0	8.5				
- Final	1.5	2.0				
Gearing ratio	20.1%	24.8%				
Interest cover (times)	6.0	5.9				

\*Underlying excludes the impact of non-trading, non cash unrealised mark to market amounts (i.e. non-trading net foreign exchange and interest rate swap losses/gains) and redundancy costs

# Geographic Diversity

- Australia : Strength of brands and market position reinforced
  - Encouraging increase in sales
  - Enhanced market position and profitable growth in key category segments
  - EBITDA growth underpinned by successful product launches, strong sell-through and positive change in sales mix.
  
- International : Commitment to profitable international growth strategy
  - International markets severely impacted by the significant economic downturn
  - Aggressive de-stocking and fall in consumer demand
  - Reported sales flat to prior year in Australian dollar terms.
    - North America +16.6%
    - Asia -35.2%: European customer base, continued de-stocking, high prior year base
  - Earnings impact
    - Factory price increases 1H09 - minimal foreign exchange benefit
    - North America non electrical range re-focus – margin impact

# Australia

A\$ Million	REPORTED			UNDERLYING*		
	FY09	FY08	% Chng	FY09	FY08	% Chng
<b>Sales</b>	<b>211.9</b>	<b>190.8</b>	<b>11.1</b>	<b>211.9</b>	<b>190.8</b>	<b>11.1</b>
<b>EBITDA</b>	<b>19.9</b>	<b>18.6</b>	<b>7.0</b>	<b>22.1</b>	<b>16.9</b>	<b>30.8</b>
<b>EBITDA %</b>	<b>9.4%</b>	<b>9.8%</b>		<b>10.4%</b>	<b>8.9%</b>	

- Strong growth in Sales and EBITDA
- Growth driven primarily by the launch and successful sell-through of new products and improved sales mix
- Result confirms ongoing strategic investment in product innovation and development
- Multi-brand strategy - Breville and Kambrook brands supported by increased marketing activity
- Weak AUD 2H09 - partially offset by wholesale price increases



\*Underlying excludes the impact of non-trading, non cash unrealised mark to market amounts (i.e. non-trading net foreign exchange and interest rate swap losses/gains) and redundancy costs

# International

A\$ Million	REPORTED			UNDERLYING*		
	FY09	FY08	% Chng	FY09	FY08	% Chng
<b>Sales</b>	<b>220.0</b>	<b>218.8</b>	<b>0.5</b>	<b>220.0</b>	<b>218.8</b>	<b>0.5</b>
<b>EBITDA</b>	<b>12.4</b>	<b>19.6</b>	<b>(36.7)</b>	<b>13.7</b>	<b>19.6</b>	<b>(30.1)</b>
<b>EBITDA %</b>	<b>5.6%</b>	<b>9.0%</b>		<b>6.2%</b>	<b>9.0%</b>	

- Challenging and volatile market conditions - rising commodity/factory prices with no offsetting foreign exchange benefit
- International markets characterised by:
  - fall in consumer confidence and demand
  - aggressive de-stocking by retailers – North America recovery part way through 2H09, European markets lagging.
- Margins impacted due to:
  - increased factory prices ex-China
  - range rationalisation of North American non-Electrical product ranges
- Breville brand continues to build and extend its presence and visibility, particularly in North America
- International strategy remains an important platform for future growth



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# Balance Sheet at 30 June

A\$ Million	FY09	FY08
Fixed assets	8.2	9.1
Intangibles	67.7	65.8
Other (liabilities)/assets (net)	(6.2)	8.7
<b>Working Capital</b>	<b>94.6</b>	<b>91.4</b>
○ Inventory	68.2	80.8
○ Receivables	68.6	62.7
○ Trade and other payables	(42.2)	(52.1)
<b>NET ASSETS EMPLOYED</b>	<b>164.3</b>	<b>175.0</b>
Borrowings (net)	33.0	43.3
Shareholders' equity	131.3	131.7
<b>CAPITAL EMPLOYED</b>	<b>164.3</b>	<b>175.0</b>

- Strong Balance Sheet and conservative finance structure:
  - lower net borrowings - gearing 20.1% (FY08: 24.8%).
  - Strong working capital management : reduction in inventories

# Strategy

- Continued strategic investment in product innovation and marketing
  - Australia :
    - steady growth
    - strong pipeline of new product launches
    - enhanced brand strength and market position
  - International :
    - drive product penetration and grow distribution
    - continued enhancement of Breville brand
    - strong pipeline of new product launches
    - development of new international markets eg China and South America
- Product and consumer focus remains key :
  - differentiation through continued investment in design and innovation capabilities
  - meeting and exceeding consumer needs



# Outlook

- Continued global economic uncertainty
- Foreign exchange volatility and upwards pressure on commodity prices
- Group focussed to deal with uncertain market conditions :
  - reduced operating cost base
  - tight working capital management
  - narrowed North American non-electrical ranges
  - strong balance sheet – conservatively financed
- Despite economic uncertainties – currently positioned to deliver increase in earnings
- Too early to provide further earnings' guidance given the significance of the Christmas trading period

