



Takeover Proposal for Breville Group Limited

9 October 2009



Presentation by
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Managing Director



Offer highlights



- > 100% scrip takeover offer for Breville Group Limited (“Offer”)
 - 1 GUD share for each 4 Breville Shares, implying a value of \$2.20¹ per security based on GUD’s 1 month VWAP
 - Full and fair value – 51% premium to Breville’s 1 month VWAP²
 - 206% premium to Breville’s share price on the day prior to GUD acquiring its 19.4% shareholding in Breville³
- > Potential to create a leading consumer products business in Australasia with a portfolio of highly regarded brands
- > Shareholders holding 28.0% of Breville Shares have indicated an intention to accept the Offer, provided there is no superior offer made - with GUD’s existing 19.4% holding, this would give GUD 47.4% of the Breville Shares on issue⁴
- > The Offer is subject to GUD acquiring a relevant interest of 50.1% in Breville (on a fully diluted basis), ACCC clearance, and other customary conditions as set out in the announcement of the Offer
- > Transaction is EPS neutral / slightly accretive assuming 50.1% ownership of Breville

1. Based on the 1 month Volume Weighted Average Price of ‘on market’ trades on the ASX (i.e. normal trades, crossed trades, stabilisation trades and short sell trades) (**VWAP**) of GUD Shares up to 8 October 2009 of \$8.80.
2. Based on the 1 month VWAP of Breville Shares up to 8 October 2009 of \$1.46.
3. Being \$0.72 per share at the close of trade on 28 May 2009.
4. Based on 129.5 million Breville Shares on issue.



Transaction Highlights



Why Breville shareholders should accept



✓	Offer represents full and fair value ▪ Offer valued at \$2.20 per Breville Share, based on GUD's 1 month VWAP ▪ 51% premium to the Breville 1 month VWAP
✓	Share in the potential upside benefits of the merger ▪ All securityholders will participate in the potential benefits and future upside from the combination of GUD and Breville
✓	Benefit from GUD's proven management expertise ▪ Proven management track record of superior shareholder value creation ▪ Superior TSR – 611% vs. 141% as per page 8
✓	Potentially significant dividend uplift ▪ GUD has grown dividends at 16.7% CAGR¹ since FY2000 (Breville CAGR is negative 4.1%) ▪ Proven track record of payment of franked dividends to shareholders ▪ Breville not expected to pay franked dividends in the short to medium term²
✓	Benefit from significantly higher trading liquidity than Breville ▪ Greater trading flexibility
✓	Exposure to a leading diversified trading business with highly regarded brands in their respective end markets

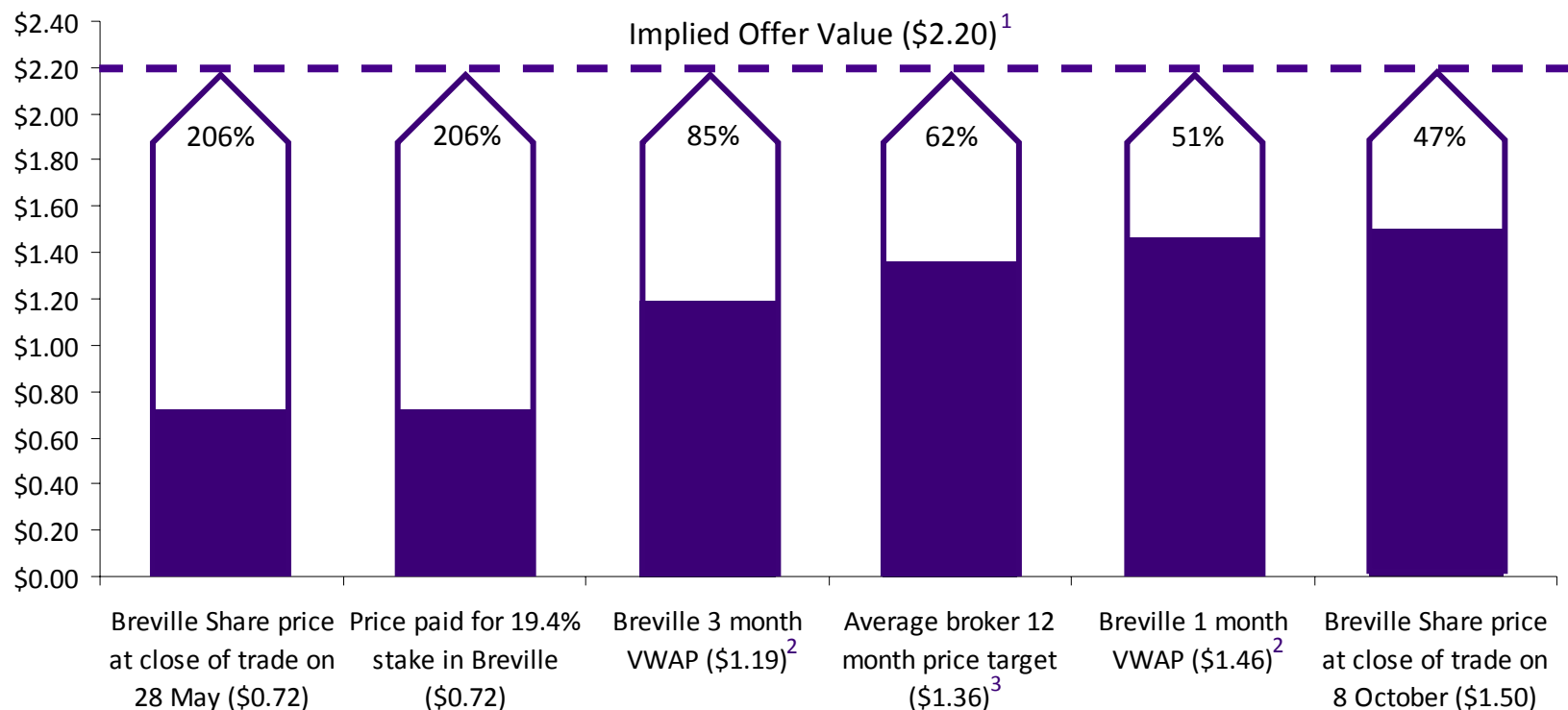
1. Compound Annual Growth Rate (CAGR)

2. Based on the comments made in the Breville results announcement dated 24 August 2009.

Full and fair value



- > Offer implies an enterprise value of \$322 million¹
- > GUD is offering an attractive premium to Breville shareholders



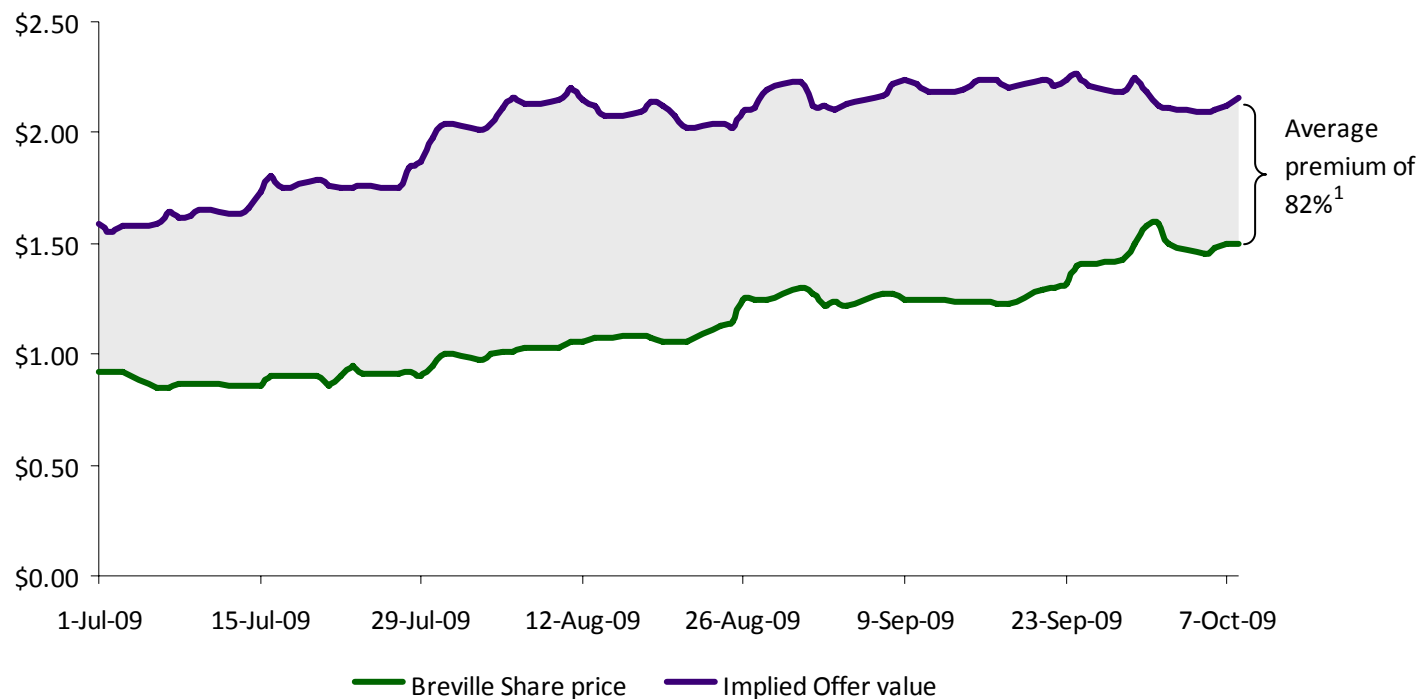
1. Based on Offer value of \$2.20 per Breville Share based on the GUD 1 month Volume Weighted Average Price of 'on market' trades on the ASX (i.e. normal trades, crossed trades, stabilisation trades and short sell trades) (**VWAP**) up to and including 8 October 2009 of \$8.80; and 129,515,322 Breville ordinary shares on issue, plus 620,000 Options and 1,282,000 Performance Rights, and Breville net debt of \$33.008 million as at 30 June 2009.
2. Based on the Breville VWAP of 'on market' trades on the ASX (i.e. normal trades, crossed trades, stabilisation trades and short sell trades).
3. The average broker 12 month price target is based on the latest publicly available estimates (calculated as the mean) known to GUD from the period from 24 August 2009 (the date Wizz announced its result for the 2009 financial year) to the announcement of the Offer. The estimates were issued by four brokers and ranged from \$1.25 per security to \$1.42 per security.

Full and fair value



- > Reflected by the average Offer premium of 82%¹ implied by the GUD and Breville closing share prices since 1 July 2009

Implied Offer value based on applying the ratio of 1 GUD share for every 4 Breville Shares to GUD's share price compared to the Breville Share price



1. Average of the premium implied at close of trade on each trading day from 1 July 2009 to 8 October 2009 by applying the ratio under the Offer of 1 GUD share for every 4 Breville shares to the GUD closing price on the relevant trading day, and comparing this value to the Breville closing price on the same trading day.

Share in upside from merger benefits



- > All shareholders will participate in the potential benefits and future upside resulting from the combination of GUD and Breville
 - Improvement in product range offering
 - Potential for cost reduction / rationalisation
 - Enhanced avenue for growth in international markets (e.g. North America)
 - Attractive product portfolio serving customers at different price points

Breville



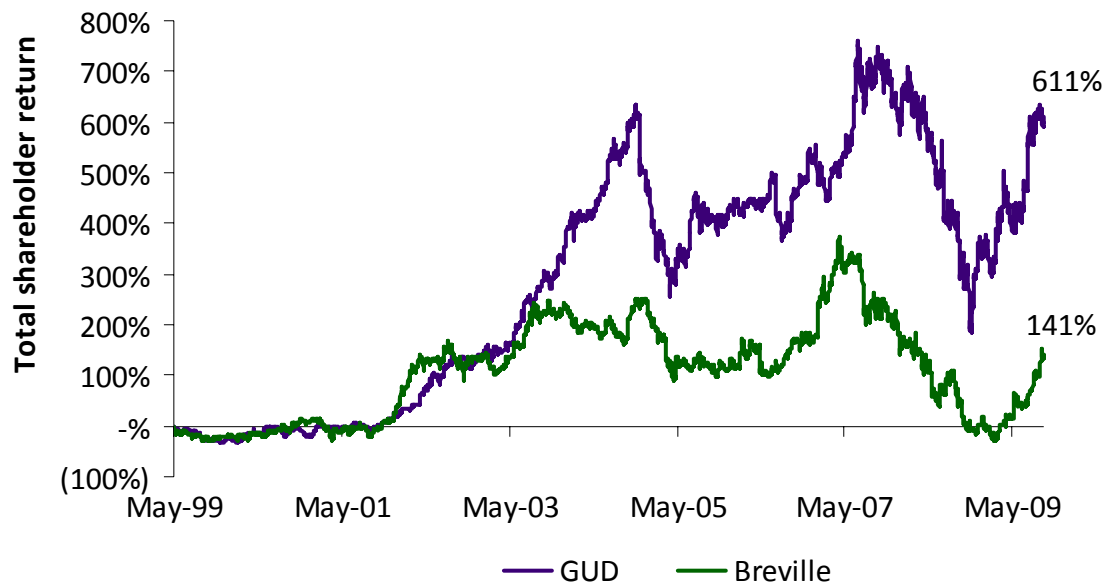
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Benefit from GUD management expertise



- > Experienced management team that has historically delivered superior returns to that of Breville, including:
 - Superior Total Shareholder Return (TSR) – 611% for GUD since Breville listing versus 141% for Breville¹

Total Shareholder Return (TSR) since Breville Listing



- > GUD TSR over the period since Breville listing is approximately 4 times greater than the Breville TSR over the same period

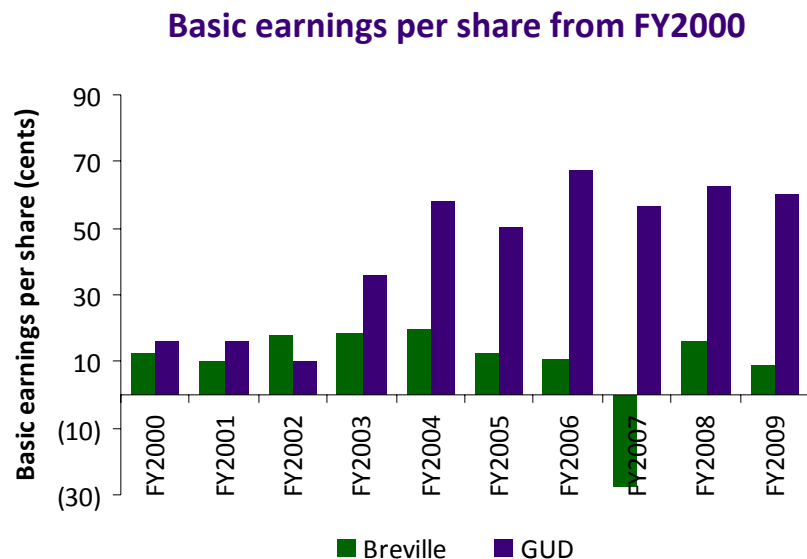
1. Based on the capital gain on GUD shares and Breville Shares, assuming reinvestment of dividends at the prevailing market prices at the close of trade on the relevant dividend payment date, or the dividend reinvestment plan price (if relevant) from 24 May 1999 up to and including 8 October 2009. Assumes Breville Shares acquired in the Breville initial public offering at the issue price of \$1.00. The Breville 1.5 cent per share final dividend with respect to the 2009 financial year has been included in the calculation of the Breville total shareholder return for comparability with GUD.

Benefit from GUD management expertise



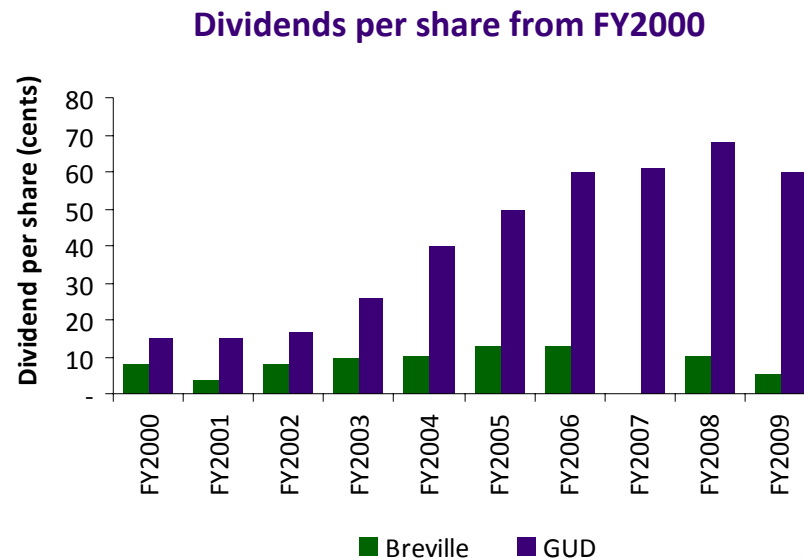
> Superior EPS Growth

- GUD has achieved a 15.5% CAGR since FY2000¹ compared to Breville's CAGR of negative 3.4%



> Superior Dividend Growth

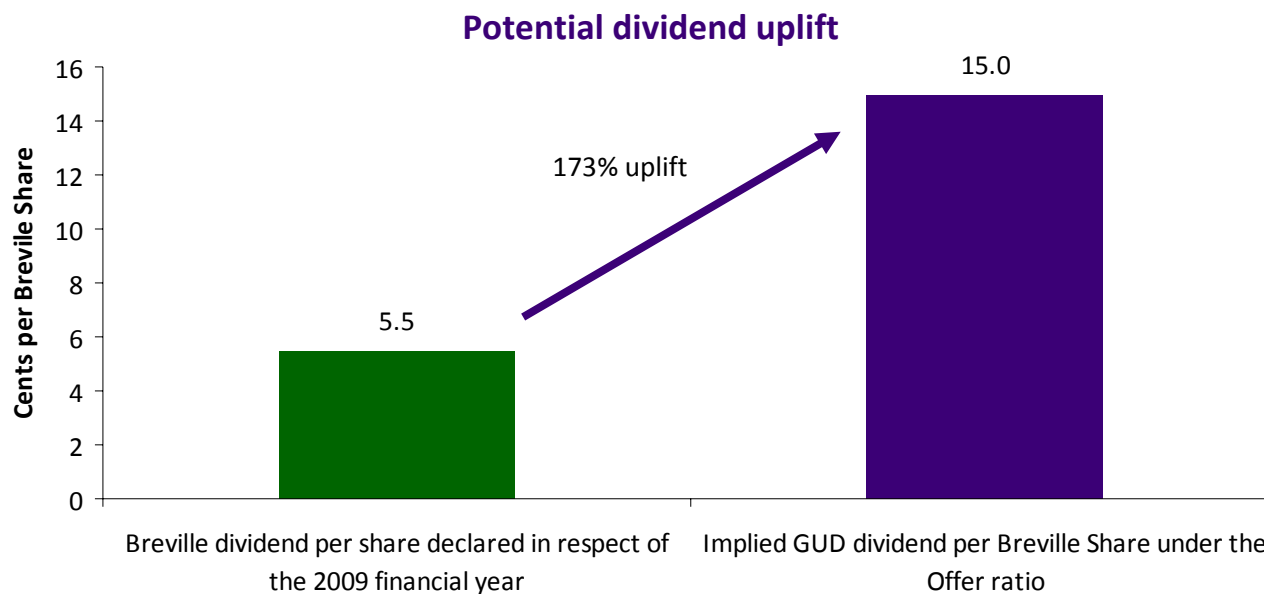
- GUD has achieved a 16.7% CAGR since FY2000¹ compared to Breville's CAGR of negative 4.1%
- Breville's FY09 dividends were unfranked



Potential dividend uplift



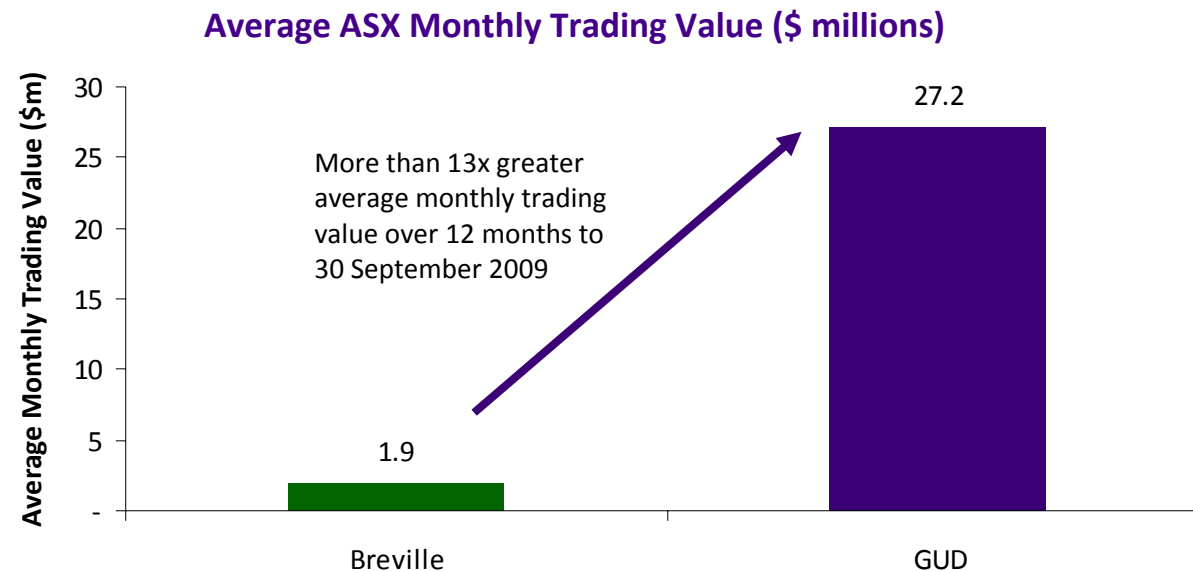
- > GUD declared fully franked dividends of 60 cents per share with respect to the financial year ended 30 June 2009
 - Applying the Offer ratio of 1 GUD share for every 4 Breville Shares equates to a dividend of 15 cents per Breville Share
 - In FY09, Breville dividends were unfranked – this is likely to be the case for the short to medium term¹



Benefits of enhanced trading liquidity



- > The Merged Group should offer Breville Shareholders more than 13 times more security trading liquidity in dollar terms¹
 - Provides greater trading flexibility



1. Based on the average monthly trading volume of GUD and Breville Shares traded on the ASX from 1 October 2008 to 30 September 2009, adjusted to exclude the \$18,089,343 of Breville Shares traded pursuant to GUD's acquisition of 25,073,712 Breville Shares on 29 May 2009.



Strategic Rationale and Impact on GUD



Strategic rationale



> Rationale for the combination of GUD and Breville is compelling

✓ Enhanced international expansion opportunities	> Potential to accelerate growth in international markets (e.g. North America) utilising Sunbeam's product platforms and the Breville distribution capability
✓ Economies of scale	> Optimisation of product sourcing and other operational initiatives expected to be available through merged economies of scale
✓ Improved product development capability	> Potential to co-ordinate product development functions with a view to enhancing the product offering of the Merged Group
✓ Potentially significant operational efficiencies	> Depending on the extent to which GUD controls Breville, there may be opportunities to combine certain back-office functions which may provide cost reduction opportunities to the Merged Group

Impact on GUD



- > Neutral to slightly positive impact on GUD's earnings per share on a pro forma basis for the financial year ended 30 June 2009, assuming GUD obtains a 50.1% ownership position in Breville
 - Excludes benefits from implementation of operational initiatives post-acquisition

- > Strong consolidated gearing and leverage metrics¹
 - FY2009 pro forma gearing (ND / ND + E) of approximately 30%²
 - FY2009 pro forma net debt / EBITDA of 1.2x
 - FY2009 pro forma EBIT interest cover of 6.3x

1. Finance costs have been adjusted to exclude non-recurring losses relating to interest rate swap contracts which were closed out by GUD during the financial year ended 30 June 2009 given the significant volatility in interest rates during the period. Although Breville did not close out interest rate swap contracts during the year, the non-recurring portion of the interest rate swap contracts, as disclosed by Breville has been adjusted in the pro forma income statement for consistency with GUD

2. FY2009 pro forma consolidated gearing would be approximately 30% assuming a 50.1% ownership position and approximately 26% assuming a 100% ownership position.

Opportunities for value creation



- > If GUD does not reach the 90% compulsory acquisition threshold under the Offer:
 - GUD intends to explore value creation opportunities that provide mutual benefit to shareholders of both companies
 - May include the consideration of the formation of a strategic alliance in relation to certain business functions
 - Operational and financial benefits may to be limited while GUD and Breville are operating as separate companies



Conclusions



Conclusion



- > Offer represents full and fair value for Breville shareholders
- > Offer is strategically and financially compelling
- > All shareholders can participate in the potential benefits and upside from combination of GUD and Breville
- > Potential to create a leading Australasian consumer products company
- > GUD proposes to lodge its Bidder's Statement shortly and anticipates the offer being open for acceptance later this month

Appendices

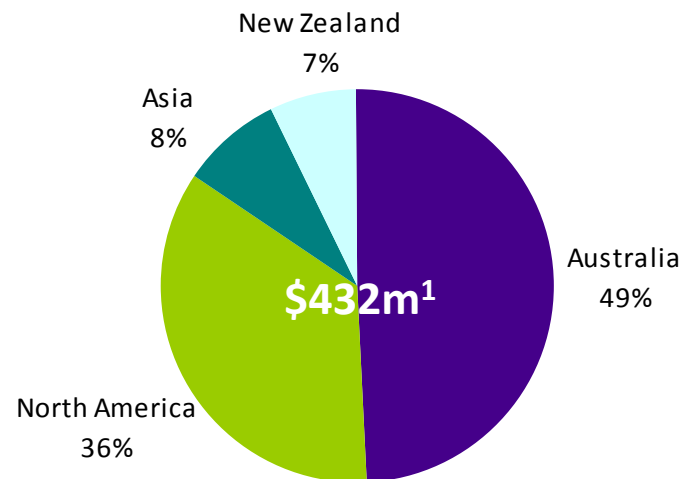


Appendix A – Overview of Breville

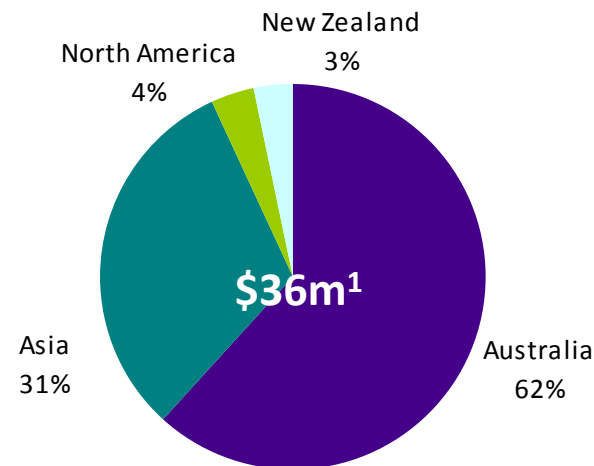


- > Breville Group is a designer, manufacturer and distributor of branded electrical consumer products, and a distributor of homeware products throughout the USA
- > Operations in Australia, the USA, Canada, New Zealand and Hong Kong
- > Growing new markets for both existing and newly developed products
 - Focus on product development, rather than direct sourcing, to execute on opportunities in North America and internationally

Breville FY09 Revenue by Geography



Breville FY09 EBITDA by Geography



1. Source: Breville Preliminary Final Report for the financial year ended 30 June 2009. Revenue excludes 'other income' and inter-segment revenue. EBITDA is underlying segment EBITDA as presented in the Breville Preliminary Final Report and excludes unallocated EBITDA of \$2.2m, redundancy costs of \$1.6m and 'non-trading' net foreign exchange losses of \$2.0m.

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