BILLABONG INTERNATIONAL LIMITED

2017 HALF YEAR RESULTS
24 February 2017

2016 World Junior Champion Ethan Ewing

CHIEF EXECUTIVE OFFICER

NEIL FISKE

TODAY

| SUMMARY OF RESULTS

| PROGRESS ON OUR STRATEGY

| FINANCIAL DETAILS

Billabong Andy Warhol Collection global launch 2 March 2017

OVERVIEW

"With yesterday's announcement regarding the sale of Tigerlily, we're simplifying our portfolio and paying down debt.

We're seeing a strong profit lift in the Americas and our key initiatives are set to deliver substantial margin improvements.

On that basis we affirm our FY17 EBITDA guidance, adjusting for Tigerlily."

Neil Fiske
Chief Executive Officer

$508.3m
GROUP REVENUE

$29.3m
GROUP EBITDA
(excluding significant items)

($16.1m)
NET LOSS AFTER TAX
(including significant items)

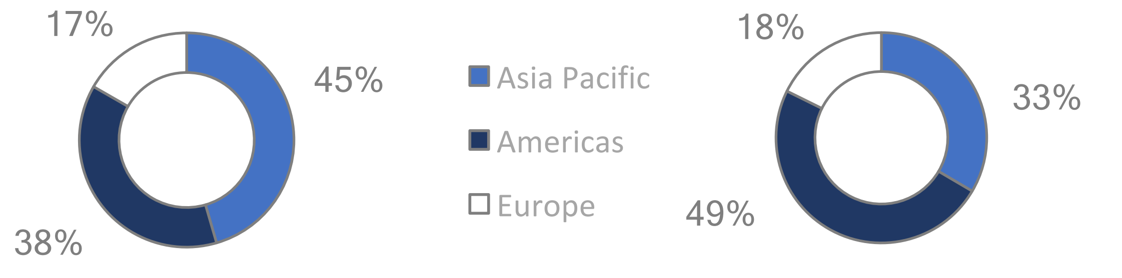
PROGRESS IN H1

- Profit turnaround in Americas >2X
- Share gains in core surf markets
- Comparable inventories down 9% yoy
- Operating cash flow ~2X
- Benefits from sourcing and logistics building
- Comparable CODB down 5.9% yoy as reported; down 3.9% constant currency
- Social media followership up 33% to >34M globally
- Key measures of brand equity mostly up
- Strengthened the leadership team
- Tigerlily sale simplifies the business & pays down debt
- Basis for substantial improvement yoy in H2

AT A GLANCE

H1 sales weighted to APAC…and H2 sales weighted to Americas

(revenue by region 1H17, % of total) (revenue by region 2H16, % of total)

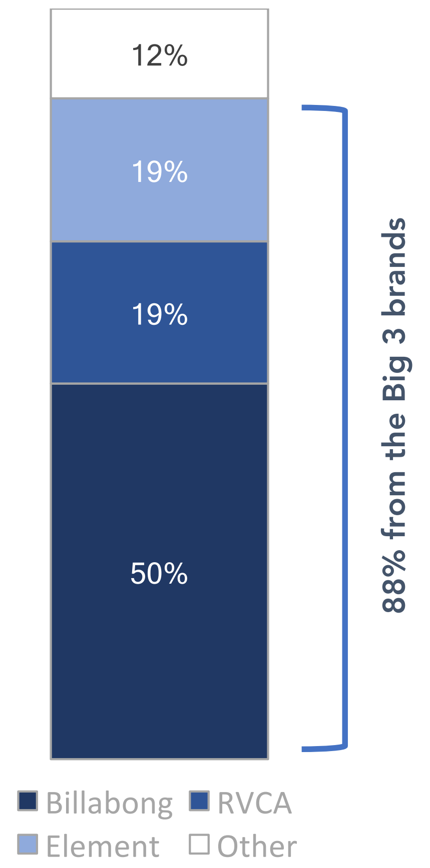


H1 sales balanced by channel…and H2 sales weighted to Wholesale

(revenue by channel 1H17, % of total) (revenue by channel 2H16, % of total)

Driven by the Big 3 Brands

(% of total 1H17 wholesale external sales)



FIRST HALF OVERVIEW

Total Group sales $508M, down 5.8% on a comparable constant currency basis

EBITDA in Americas (before global allocations) more than doubled yoy, with good momentum into second half

Group EBITDA of $29.3M affected by factors in APAC & Europe:

1. Unseasonal weather in Australia led to a soft start through October
2. Last of the adverse APAC currency impacts from low AUD
3. Unusual drop in orders by Middle East distributor as inventory levels reset
4. Late arrival of cooler weather affected European sales

Gross margin expansion in Americas offset by currency and tough retail conditions in APAC and Europe. Margins flat overall. Have now cycled the impact of the low AUD on gross margins in APAC. In Europe, less FX pressure in H2.

Comparable CODB down $14.7M as reported, or 5.9% yoy

Net statutory after tax loss of $16.1M — restructuring & significant items after tax up $9.5M on previous half (mostly non cash in the period)

Improved cash flow and better EBITDA conversion

DRIVERS OF EXPECTED H2 IMPROVEMENT

Americas turnaround

- Group to benefit from region's weighting towards larger second half, with profitability to accelerate as margins improve

Gross margin expansion in all regions

- COGS savings from global sourcing initiatives
- Assortment planning from concept-to-customer
- No expected currency impact from USD in H2
- Leaner inventories, down 9% comparable yoy
- Margin profile of forward orders in wholesale

Continued focus on CODB

TIGERLILY SALE SIMPLIFIES BUSINESS

- Sale agreement with Crescent Capital Partners for the sale of Tigerlily for $60M
- Net proceeds will be used to pay down debt and reduce interest costs
- Sale is consistent with strategy to simplify the Group — global brands on global platforms

AMERICAS: SIMPLIFIED AND FOCUSED

SITUATION

- After soft Q1, big 3 brands up yoy in Q2
- Ongoing simplification of business helping boost profitability
- RVCA impacted by a significant decline in sales to a large United States retailer which was in Chapter 11 for a part of the period

ACTIONS

- Rationalised organisational structure and reduced CODB
- Rationalised store base from 64 to 54 — almost half of H1 revenue decline (excluding Sector 9) associated with non-performing stores that closed since previous year
- Seeking further portfolio simplification post Sector 9
- Leveraging global sourcing, concept to customer for margin gain
- Leading ecomm development through Billabong NA

PROGRESS

- EBITDA up 159% cc to $10.3M (before global allocations)
- Gross margin expands 170bps
- CODB down 8% cc (excluding Sector 9)
- ecommerce up 22.7% cc, led by Billabong North America +41.5%
- Billabong increases #1 brand share in USA specialty retail
- RVCA also increases share in USA specialty retail
- Inventory (excluding Sector 9) down 11.1% cc

REGIONAL PERFORMANCE – AMERICAS

As Reported (AUD) excluding Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %	Excluding Sector 9 Constant Currency Change %
Sales	192.1	219.9	(12.7%)	(9.5%)	(4.8%)
Gross Profit	92.5	102.3	(9.6%)	(6.3%)	(2.0%)
Gross Margin	*48.2%*	*46.5%*			
Overheads (net of other income)	82.2	98.2	(16.3%)	(13.2%)	(8.0%)
EBITDA Pre Global Allocation	10.3	4.1	152.2%	159.1%	104.8%
Global Allocation	6.9	6.0	15.3%	15.3%	
EBITDA Post Global Allocation	3.4	(1.9)	-	-	
EBITDA Margin	*1.8%*	*-0.9%*			

	1H17	1H16
Comp Store Sales %	0.5%	(4.7%)
Store Count (Number)	54	64

As Reported (AUD) including Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %
Sales	192.1	219.9	(12.7%)	(9.5%)
EBITDA	(5.4)	(3.7)	(45.6%)	(40.5%)
EBITDA Margin	*(2.8%)*	*(1.7%)*		

Revenue:

- Down 12.7% as reported and excluding Sector 9 revenue down 4.8% cc.
- Bricks & mortar retail down 8.5% cc due to planned closures.
- Bricks & mortar comp store sales up 0.5% cc for the region, with the USA bricks & mortar retail comp store sales up 1.1% cc.
- Brand Billabong North America ecommerce sales up 41.5% cc.

Overall gross margins improved 170 bps.

Overheads were down on the pcp 8.0% in constant currency terms when excluding Sector 9 from the pcp and excluding the allocation of global overhead costs.

Total EBITDA (before Global Allocation) up $6.2M (159.1% cc).

APAC: WEAK H1 AUST RETAIL CONDITIONS


Laura Enever

SITUATION

- Unseasonal weather patterns affect trading through October for us and our customers
- Overall retail market weak and highly promotional
- $4M increased product cost due to FX (170bps); pressure easing in H2
- $5M sales impact as Middle East distributor resets inventory
- $2.5M topline impact of South Africa warehouse fire; insurance offsets EBITDA

ACTIONS

- Simplified business with sale of Tigerlily
- Substantial cost reduction implemented late in H1, full 6-month effect in H2
- Focusing on gross margin recovery/expansion
- Driving speed to market, more agile retailing capability
- Building ecomm capability

PROGRESS

- Billabong expands #1 share position in core surf market
- RVCA grows wholesale equivalent sales 14%, also gains share in core surf
- December comps improve — slightly positive
- ecommerce sales up 17.7% (now 2.1% of sales) demonstrates potential
- Inventory down 7.9% cc
- CODB down 4.4% cc

REGIONAL PERFORMANCE – ASIA PACIFIC

As Reported (AUD) excluding Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %
Sales	231.3	243.9	(5.2%)	(6.7%)
Gross Profit	126.9	137.0	(7.4%)	(9.0%)
Gross Margin	*54.9%*	*56.2%*		
Overheads (net of other income)	98.0	100.8	(2.7%)	(4.4%)
EBITDA Pre Global Allocation	28.9	36.2	(20.3%)	(21.7%)
Global Allocation	8.3	6.6	25.2%	25.2%
EBITDA Post Global Allocation	20.6	29.6	(30.5%)	(32.0%)
EBITDA Margin	*8.9%*	*12.1%*		

	1H17	1H16
Comp Store Sales %	(3.7%)	(1.0%)
Store Count (Number)	255	246

As Reported (AUD) including Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %
Sales	231.3	243.9	(5.2%)	(6.7%)
EBITDA	19.2	29.5	(35.0%)	(36.5%)
EBITDA Margin	*8.3%*	*12.1%*		

Revenue:

- Down 5.2% - or down 6.7% (cc).
- Asia Pacific impacted by a weak October with comparable bricks & mortar retail sales down 16.0% in Australia. This had a flow on impact to wholesale repeat orders in the months of November and December.
- Bricks & mortar retail sales in November and December improved compared to October. Australian comparable bricks & mortar retail sales in the month of December were up 0.9%, a creditable performance having regard to general retail conditions in Australia.
- For the half as a whole, bricks & mortar comparable store sales trading across the region were 3.7% lower compared to the pcp. In Australia, comparable store sales were down 4.2% on the pcp.

Gross margin pressure reflected the lower AUD, relative to the USD, during the period which increased input prices (approximately $4M) and impacted gross margins 170 basis points compared to the prior year, together with a highly promotional retail environment. Sourcing and other margin improvements limited the overall decline in gross margins to 130 basis points.

EUROPE: SEASONAL AND MACRO FACTORS

SITUATION

- Late onset of cool weather affects retail and wholesale re-orders in winter-weight apparel
- Post-Brexit uncertainty affects UK consumers
- H1 currency impact of EUR/USD pressuring margins
- Solid 1st quarter offset by soft 2nd quarter
- Accounting reclassification from CODB to COGS

ACTIONS

- Investment in ecomm capability
- Building team to drive RVCA growth
- Leverage global brand and platform leadership
- Focus on quality of sales, distribution
- Maintain tight inventories
- Continue to streamline operations eg. logistics

PROGRESS

- Gross margins slightly up adjusting for accounting shift, absorbing FX
- ecommerce sales up 44% constant currency; now 4.6% of total sales, up 160bps
- Inventories down 7% constant currency in H1
- Total comparable retail revenues up 1.3%

REGIONAL PERFORMANCE – EUROPE

As Reported (AUD) excluding Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %
Sales	84.9	98.1	(13.4%)	(5.9%)
Gross Profit	43.0	51.4	(16.2%)	(8.5%)
Gross Margin	*50.7%*	*52.4%*		
Overheads (net of other income)	36.2	41.0	(11.7%)	(3.1%)
EBITDA Pre Global Allocation	6.8	10.4	(33.9%)	(29.3%)
Global Allocation	3.0	2.7	13.4%	14.3%
EBITDA Post Global Allocation	3.8	7.7	(50.6%)	(45.9%)
EBITDA Margin	*4.5%*	*7.8%*		

	1H17	1H16
Comp Store Sales %	(2.2%)	6.0%
Store Count (Number)	106	100

As Reported (AUD) including Significant Items	1H17 $m	1H16 $m	Reported Change %	Constant Currency Change %
Sales	84.9	98.1	(13.4%)	(5.9%)
EBITDA	3.4	7.6	(54.6%)	(50.2%)
EBITDA Margin	*4.1%*	*7.7%*		

Revenue:

- Down 13.4%; down 5.9% (cc).
- Bricks & mortar comp store sales down 2.2% cc.

Europe EBITDA was lower for the period following two consecutive half-years of improvement.

EBITDA of $6.8M for the period compares to $10.4M for the pcp (before Global Allocation).

Gross Margin and CODB comparisons against the prior year are impacted by certain reclassifications. The most significant reclassification being that of retail freight costs being reclassified out of overheads and into COGS in the current half-year. This impacted gross margins in the period by 210 basis points.

SUMMARY DTC REGIONAL PERFORMANCE

% growth pcp*	AMS	APAC	EU	TOTAL
Comparable retail revenue (comparable B&M + ecommerce)	5.8%	(3.1%)	1.3%	(0.3%)
Brick & Mortar comparable store sales	0.5%	(3.7%)	(2.2%)	(2.6%)
ecommerce sales	22.7%	17.7%	44.4%	24.6%
ecommerce as % of sales	8.3%	2.1%	4.6%	4.9%

At 4.9% — still under-developed in ecommerce: a big opportunity

*constant currency

BILLABONG


2016 World Title runner-up Courtney Conlogue

+39% global followers

17.3M Social Media followers for Brand and Athlete/Advocates

Athletes

7 surfers on 2017 world tour

Men's world junior champ Ethan Ewing one of the youngest to qualify

Macy Callaghan Women's world junior champ

Billabong Pipe Masters delivers 26M global impressions

Lifestyle

Brand widens lead in specialty surf stores in US & Australia

Women's swimwear lifts US share by 600bps

Upcoming

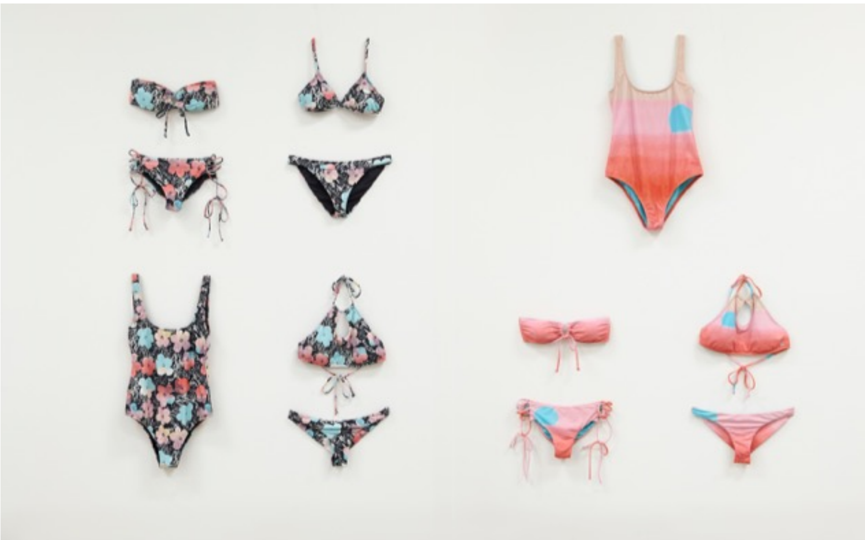
First dual gender global launch: Andy Warhol collaboration

INVESTING IN THE NEXT GENERATION

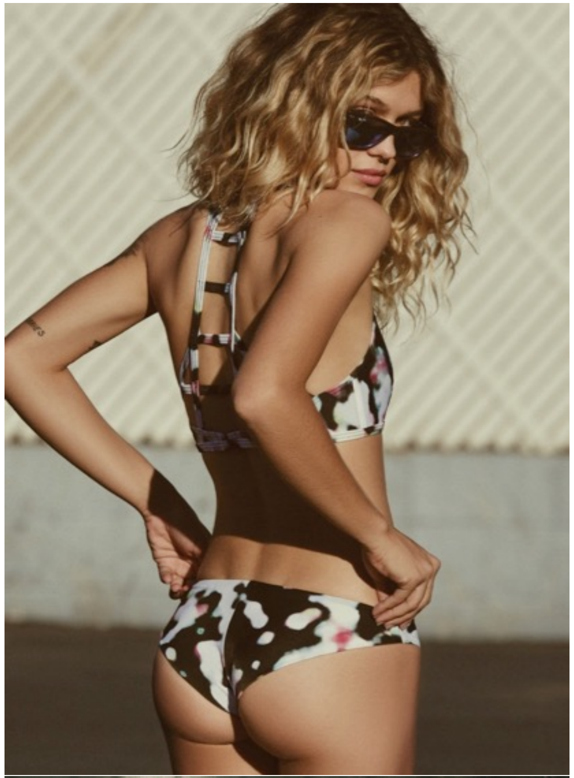
World junior champs Ethan Ewing and Macy Callaghan

- Women's World Junior Champions 2015 and 2016: Isabella Nichols and Macy Callaghan
- Men's World Junior Champion 2016: Ethan Ewing
- Junior Team stronger than ever: Billabong had 4 of top 5 place-getters at Men's World Junior Championship
- Billabong Bloodlines developing the next generation of surf champions

WARHOL SURF LAUNCH



Warhol Surf is a collaboration between Billabong and The Andy Warhol Foundation for the Visual Arts, featuring rarely seen imagery, art, and writings from the Warhol archive.



RVCA VA

+38% global followers

6.1M Social Media followers for Brand and Athlete/Advocates

Athletes

Signed legendary professional skateboarder Andrew Reynolds

Lifestyle

RVCA.com holiday traffic +28%; average order value +10%; database +57%

Women's swim launch – *Anywear*

Market share gains in US Men's and Women's apparel

13.9% wholesale equivalent growth in APAC

VA Sport sales +28%

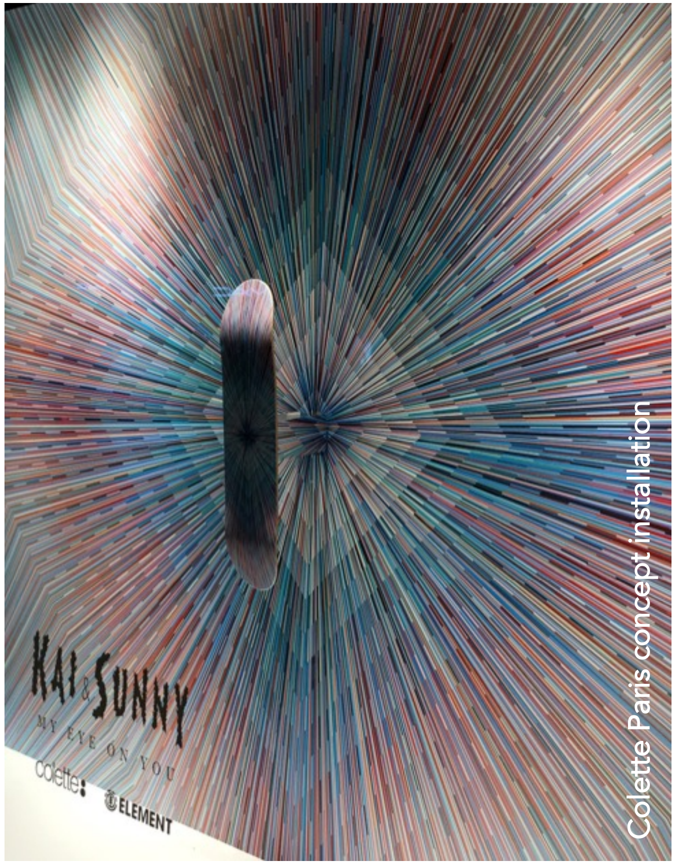
Upcoming

RVCA Caravan tour of Australia

ANP Artist capsule releases: Barry McGee, Kelsey Brookes, Sage Vaughn & D'Mote

Andrew Reynolds

ANP Artist Kelsey Brookes



ELEMENT

+21% global followers

10.9M Social Media followers for Brand and Athlete/Advocates

Athletes

Evan Smith 2016 *Thrasher* Skater of the Year finalist

Nyjah Huston 1st place at New Jersey SLS and Detroit Hart Lines

Jarne Verbruggen 'Never Skatebored' launch hits 3.8M views

Lifestyle

Successful launch of 'Black Sky' capsule collection with Griffin Studio

1 month window takeover of legendary store Colette Paris

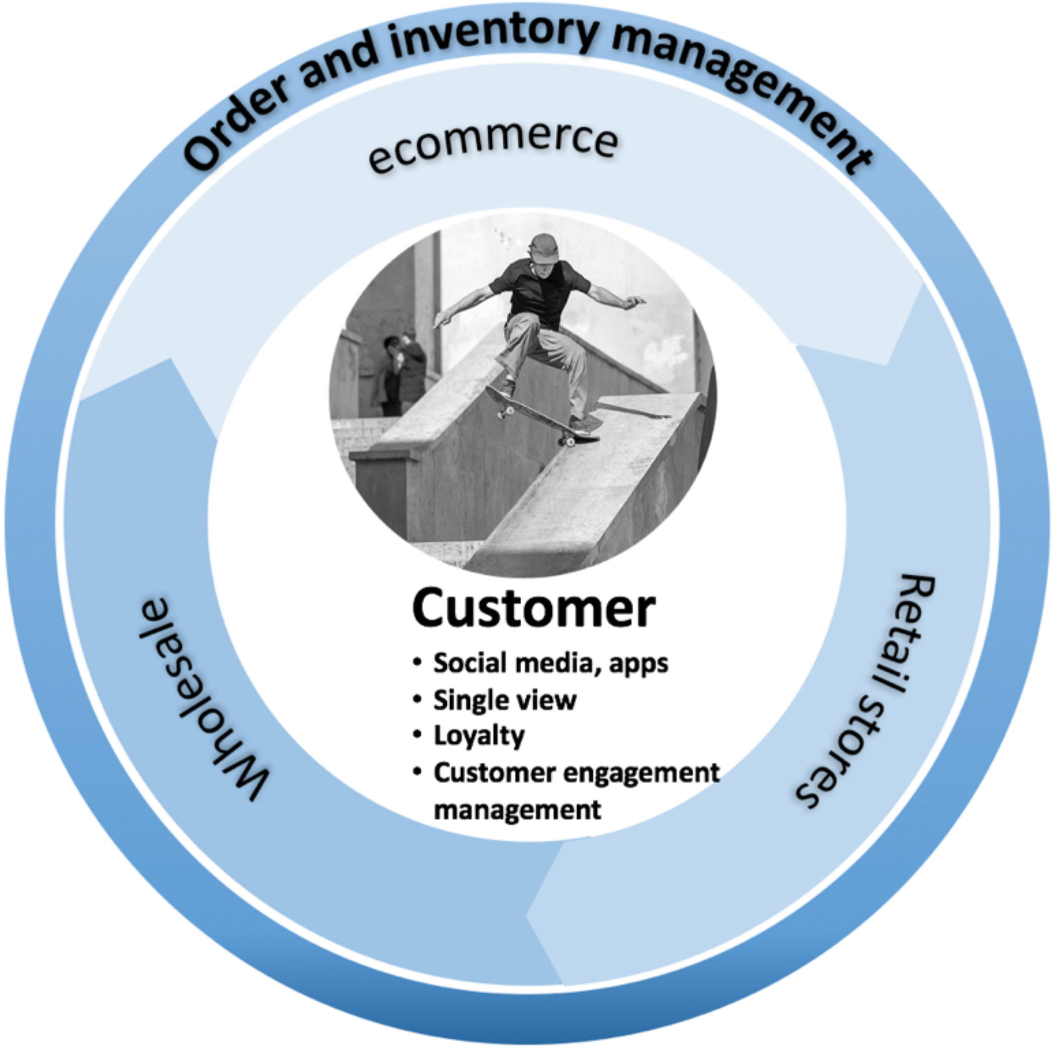
Upcoming

25th Anniversary Made to Endure campaign

PROGRESS ON PLATFORM INITIATIVES (1.)

Global Sourcing	Global Logistics "Pipeline"	Concept to Customer	Emerging Markets
Global sourcing organisation in place Leaner, more effective organisation Brand vendor matrix down to < 150 suppliers Implemented social, environmental audit process Implemented new QA standards, SOPs, process Building global production function in Hong Kong	New consolidation centres continue to execute strategy NA live with 220 Customers for Yantian Pick & Pack EU live with 86 Customers for Yantian Pick & Pack AU pilot on track for March delivery with Yantian Pick & Pack ramp up to follow Closure of Canada Distribution Centre on track for Feb 2017	Style productivity trending up double digits Assortment architecture contributing to margin lift going forward Product development metrics improving Quick strike capability improved at each brand Working with sourcing to translate better product development into reduced vendor lead times	Stabilized Brazil 5 new distributor agreements in progress in Americas 27 licensed stores signed, 20 more in progress Developing strategy for China, India, South Korea, Russia Building merchandising, marketing, sales support for distributor partners Set to begin direct shipping with Pipeline

PROGRESS ON INITIATIVES (2.) — OMNI



Progressing well

- Customer data/engagement platform in pilot testing
- New email and site personalisation tools tested and being rolled out
- Digital BTB pilot complete; roll out underway
- New planning and allocation system to deploy this half in Australia, rollout to other regions in 12 months
- New business unit, leadership focused on Digital Commerce and Customer Experience

Implementation delays

- Vendor solution delivery on ecommerce and retail POS
- User Acceptance Testing phase identified technical issues

A STRONGER SECOND HALF EXPECTED

- Comparable gross margins in the second half of the financial year are expected to be up in all regions on the strength of sourcing and merchandising initiatives
- Costs and inventories are in better shape heading into the second half
- Turnaround in the Americas, which contributes proportionally more to the second half result
- Impact of the group's hedging program means there will be no year-on-year foreign exchange-related margin pressure in the second half.

DETAILED FINANCIALS

Billabong Men's Surf Team

RECONCILIATION TO STATUTORY RESULT

Billabong - Half Year to December 16

AUD millions	Statutory Result	Included in Statutory Result - Significant Items	Excluding Significant Items 1H17
Sales Revenue	*508.3*	-	*508.3*
EBITDA	18.8	10.5	29.3
Less Depreciation, Amortisation	14.6	-	14.6
EBIT	4.2	10.5	14.7
Less Finance Charges	16.4	-	16.4
Loss Before Tax	(12.2)	10.5	(1.7)
Less Tax Expense	3.9	1.2	5.1
Net Loss After Tax Attributable to Members	(16.1)	9.3	(6.8)

SUMMARY OF RESULTS

AUD millions	1H17 (excluding Significant Items)			
	This Yr	**Last Yr**	**% Change (as reported)**	**% Change (constant currency)**
Revenue				
Americas	192.1	219.9	-12.7%	-9.5%
Asia Pacific	231.3	243.9	-5.2%	-6.7%
Europe	84.9	98.1	-13.4%	-5.9%
Total	**508.3**	**561.9**	**-9.5%**	**-7.6%**
EBITDA Pre Global Allocation				
Americas	10.3	4.1	152.2%	159.1%
Asia Pacific	28.9	36.2	-20.3%	-21.7%
Europe	6.8	10.4	-33.9%	-29.3%
Global	(16.7)	(13.5)	-23.9%	-23.9%
Total	**29.3**	**37.2**	**-21.1%**	**-20.9%**
EBITDA Post Global Allocation				
Americas	3.4	(1.9)	278.5%	269.0%
Asia Pacific	20.6	29.6	-30.5%	-32.0%
Europe	3.8	7.7	-50.6%	-45.9%
Global	1.5	1.8	-13.5%	-13.5%
Total	**29.3**	**37.2**	**-21.1%**	**-20.9%**

- **Sale of Sector 9 completed June 2016. Results are included in the above table as the divestment was not treated as a discontinued business due to immateriality.**

TIGERLILY SALE

Tigerlily Pro-Forma Transaction Information	
LTM Revenue *	$29.6 million
1H17 Revenue **	$18.8 million
1H17 EBITDA	$5.5 million
FY17 Expected Full Year EBITDA	$7-8 million
Pro-forma gross debt - 31 December 2016	
- actual ^	$286 million
- adjusted pro-forma ^^	$230 million
Pro-forma net debt - 31 December 2016	
- actual	$186 million
- adjusted pro-forma ^^	$130 million

* Twelve month period ended 31 December 2016 (excludes sales to Billabong owned retail)

** Six month period ended 31 December 2016 (excludes sales to Billabong owned retail)

^ Current and non-current borrowings as at 31 December 2016

^^ $60 million sale proceeds less approximate transaction costs and term loan prepayment fee

SIGNIFICANT ITEMS

As Reported (AUD)	1H17 $m	1H16 $m
Significant Items - Income Items		
Gain from adjustment to RVCA contingent consideration	-	2.4
Insurance settlement	-	5.0
	-	7.4
Significant Items - Expense Items		
Inventory adjustment	5.0	-
Strategy and other restructuring costs *	2.4	5.2
Redundancy costs	1.3	0.7
RVCA compensation expense	0.8	3.5
Loss from adjustment to RVCA contingent consideration	0.9	-
Divestment costs in relation to prior year divestment of immaterial operations	0.1	-
Total pre tax (expense) / income significant items	**(10.5)**	**(2.0)**
Income tax benefit	**1.2**	**2.2**
Total after tax significant and exceptional (expense) / income items	**(9.3)**	**0.2**

*Restructuring costs include Project Pipeline and other individually immaterial items.

CASH FLOW

Net receipts from customers and payments to suppliers/employees of $44.2M is higher than the pcp primarily due to the improved working capital movements for the period compared to the pcp and lower significant item payments compared to the pcp.

Financing costs of $17.4M decreased on the pcp due to payment in kind interest however this was partially offset due to ABL refinancing costs.

Capex includes investment in the Omni-Channel platform.

Payments to suppliers and employees includes approximately $4M of cash outflows from significant items and payments from restructuring provisions.

As Reported (AUD)	1H17 $m	1H16 $m	Change %
Receipts from customers (inclusive of sales taxes)	586.8	635.1	
Payments to suppliers and employees (inclusive of sales taxes)	(542.6)	(612.3)	
	44.2	22.8	93.4%
Other income	4.0	9.9	
Finance costs	(17.4)	(18.5)	
Income taxes paid	(3.5)	(1.9)	
Net cash inflow from operating activities	**27.3**	**12.3**	**121.5%**
Cash flows from investing activities			
Payments for deferred consideration	-	(9.9)	
Payments for capex	(12.1)	(22.1)	
Payments for transaction costs from prior year sale of business	(1.0)	-	
Proceeds from sale of property, plant and equipment	-	0.1	
Net cash (outflow)/inflow from investing activities	**(13.1)**	**(31.9)**	
Cash flows from financing activities			
Net repayments of borrowings	(2.2)	-	
Net cash outflow from financing activities	**(2.2)**	**-**	
Net Movement in Cash Held	**12.0**	**(19.6)**	

BALANCE SHEET, GEARING AND INTEREST

Working capital represents 15.7% of the prior 12 months' sales stated at half-year spot exchange rates, compared to the pcp of 14.8%.

Increase relates to a reduction in creditors as part of the Group's previously-advised supplier consolidation strategy as well as a reduction in payables in respect of inventory purchases at 31 December 2016 when compared to the pcp.

Net debt increased from $185.2M as at 30 June 2016 to $186.1M, the increase includes payment in kind interest of $8.3M for the period.

Net interest expense decreased from $16.8M to $16.4M. On a constant currency basis net interest expense was $16.1M in the pcp.

Term loan at balance date US$207.9M.

New asset-based lending facility established July 2016 with Bank of America Merrill Lynch. European and New Zealand assets included for the first time.

As Reported (AUD)	Dec-16 $m	Jun-16 $m	Dec-15 $m	Reported Change % Jun-16	Reported Change % Dec-15
Working capital					
Receivables	137.2	171.6	131.7	(20.1%)	4.2%
Inventory	186.0	185.6	217.1	0.3%	(14.3%)
Creditors	157.1	166.3	185.2	(5.6%)	(15.2%)
Working capital	**166.2**	**190.9**	**163.6**	**(12.9%)**	**1.6%**

As Reported	Dec-16 $m	Jun-16 $m	Dec-15 $m	Reported Change % Jun-16	Reported Change % Dec-15
Debt levels					
Term loan (USD)	207.9	201.7	203.8	3.1%	2.0%
FX Rate	*0.7172*	*0.7426*	*0.7257*		
Net debt (AUD)	186.1	185.2	144.1	0.5%	29.2%

As Reported (AUD)	1H17 $m	1H16 $m
Net interest expense	16.4	16.8

FOREIGN EXCHANGE

- To assist users in understanding the impact of foreign exchange on the Group's key financials the following key exchange rates have been provided for information purposes.
- The Group's results are converted at average exchange rates each month. The exchange rates set out below represent an approximate average of those rates for the half-year.

Half Year Average Rates			
	AUD/ USD	**AUD/ EUR**	**EUR/ USD**
1H17 Average (July - December 2016)	0.7539	0.6869	1.0975
1H16 Average (July - December 2015)	0.7232	0.6552	1.1038

Spot / Period End Rates			
	AUD/ USD	**AUD/ EUR**	**EUR/ USD**
31 December 2016	0.7172	0.6833	1.0496
30 June 2016	0.7426	0.6699	1.1085
31 December 2015	0.7257	0.6635	1.0937
30 June 2015	0.7680	0.6866	1.1186

OUTLOOK

The expected improvement in the underlying EBITDA for the second half of the 2017 financial year continues to be based on line-of-sight improvements from the Group's key initiatives, in particular:

- comparable gross margins in the second half of the financial year which are expected to be up in all regions on the strength of sourcing and merchandising initiatives;
- costs and inventories, which are in better shape heading into the second half;
- the turnaround in the Americas, which contributes proportionally more to the second half result; and
- the impact of the group's hedging program which means there will be no year-on-year foreign exchange-related margin pressure in the second half.

The Group's previous guidance of EBITDA in the $60-65 million range for the 2017 financial year needs to be updated for the sale of Tigerlily which will be treated as a discontinued operation in the 2017 full year results. This treatment is expected to reduce the Group's continuing business EBITDA reported for the 2017 financial year by approximately $8 million, which represents Tigerlily's full twelve month EBITDA contribution to the Group.

Accordingly, the Group affirms the 2017 financial year EBITDA guidance provided at the AGM in November, but for the adjustment to exclude Tigerlily EBITDA for the year. This equates to an updated EBITDA range for continuing operations for the 2017 financial year of $52-57 million (excluding significant items).

The Group continues to have a significant bias of second half earnings to the month of June in the Americas. Performance in this period is key to delivering on the Group's full year expectations.

Of course, the Group's full year expectation is subject to reasonable trading conditions and currency markets remaining relatively stable. Whilst exchange rate movements in relation to cost of goods is hedged for the balance of the 2017 financial year, the rate at which foreign earnings are translated into Group EBITDA will depend on the prevailing rates at the time.

OVERVIEW

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With yesterday’s announcement regarding the sale of Tigerlily, we’re simplifying our portfolio and paying down debt.

We’re seeing a strong profit lift in the Americas and our key initiatives are set to deliver substantial margin improvements.

On that basis we affirm our FY17 EBITDA guidance, adjusting for Tigerlily.

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Neil Fiske
Chief Executive Officer

DISCLAIMER

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