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ASX ANNOUNCEMENT

2017 ANNUAL GENERAL MEETING

CHAIR AND MANAGING DIRECTOR & CEO ADDRESSES

21 NOVEMBER 2017

CHAIR'S ADDRESS - IAN POLLARD

Financial year 2017

At this meeting 12 months ago we informed shareholders about the goals we had set ourselves for the balance of that financial year, namely:

- To continue the turnaround in our largest market, the Americas,
- To expand comparable gross margins across all our regions,
- To reduce the Cost of Doing Business, and
- To deliver improved EBITDA

In the face of some challenging conditions in the retail sector, I am pleased to say that we achieved all of those goals.

EBITDA for the year of $51.1 million was up 2.8% on a constant currency basis, and was less than a million dollars below the guidance range that we provided at the 2016 AGM and affirmed again in February. This result allows for the sale of Tigerlily and the year-on-year comparison is on a like-for-like basis.

The Company reported a Net Loss Before Tax of $8.4 million, excluding significant items and discontinued businesses. After a predominately non-cash impairment charge of $106.5 million the Net Loss After Tax was $77.1 million.

It's important to understand the origin of this non-cash impairment charge.

The majority of it, ($86 million of the $106 million total), relates to goodwill and was recognised primarily in response to impairment indicators arising from the difference between the Company's share price and the carrying value of the Group's net assets.

The impairment charge had to be allocated to certain intangible assets with goodwill being required under accounting standards to be impaired first before identifiable intangible assets. The only material goodwill on our balance sheet was RVCA so it was required therefore to be written down.

We believe that there has been no impact to the underlying value of the RVCA brand.

We have consistently described RVCA as a brand with enormous potential and we are confident that with investment in development and expansion it can grow very quickly. With the diversity of RVCA's appeal through its unique blending of youth subcultures, the brand has the potential to grow both within and outside the United States and to expand its market segments. We have great conviction in the future of RVCA.

I will leave it to our chief executive Neil Fiske to speak in more depth about the Company's FY17 trading performance, but it is worth highlighting some key outcomes. First, the result in our largest region, the Americas. It achieved 46.9% EBITDA growth on a constant currency basis. By any measure this is an outstanding outcome in the face of tough market conditions. We are confident that this improvement is not an isolated result but part of a sustained turnaround in a region that has been described as our greatest opportunity.

Second, our European region overcame a soft first half to post full year EBITDA growth of 8.9% constant currency. This was the fourth consecutive year of EBITDA improvement in Europe, and the region is forecasting to record a fifth year of improvement in FY18.

We continue to seek growth from our American and European operations. We are also transferring the lessons learned there to the Asia-Pacific region, and Australia in particular, where challenges in the retail sector continue. Neil will give more details about the early positive signs we are seeing in Australia from leveraging the ongoing success we have achieved in the Americas.

Over the past three years we have faced significant headwinds with currency movements, and changing and challenging retail markets; however, we have demonstrated the soundness of our transformation strategy.

The Group is now a far more efficient, focused and forward-looking operation. We have reduced the cost of doing business, we have in the last year improved our gross margins (and continue to do so), we have simplified the brand portfolio, and we have grown social media followership for our brands, athletes and ambassadors to more than 36 million.

The sustainable improvement in the Americas and the ongoing positive performance in Europe have validated our strategy, and provide the model for what can be achieved in Asia-Pacific.

Brand portfolio

You will recall that in February the Company announced the sale of the Tigerlily business to Crescent Capital Partners. The sale was in line with our strategy to simplify the brand portfolio, with the net proceeds from the $60 million sale being used to retire debt. We acquired Tigerlily in December 2007 for around $6 million. The Company will continue to review its brand portfolio on a periodic basis.

Balance Sheet

In addition to increasing EBITDA, Directors are focused on improving cash flow, liquidity and the balance sheet generally. Our operating cash flow increased by $31 million in FY17, conversion from EBITDA to cash was substantially higher, and inventories ended the year healthier. In addition we secured a new asset-backed loan with expanded capacity, and reduced debt from the sale of Tigerlily.

Directors continue to consider options related to the Company's term loan, which matures in a little under two years. This is a priority for the Board, and with the assistance of our advisers we are well-advanced in assessing various options, with the focus on maximising shareholder value. Whilst considerable progress has been made in this regard, we are not in a position to make a statement to shareholders today. We propose to update shareholders on the outcome as soon as practicable.

Board changes

Since the last AGM, Kim Anderson has been appointed as an independent Director, bringing extensive experience in the digital and e-commerce sectors and in the media and publishing industries. Kim has already made a substantial contribution to the Board and the Company.

In July 2017, Jason Mozingo resigned as a nominee Director representing Centerbridge Partners, L.P. on his retirement from that firm. He was replaced by Elliott Weinstein, a Managing Director at Centerbridge Partners, L.P. with a focus on investments in the Retail & Consumer and Industrial sectors. On behalf of the Board, we would like to thank Jason for his dedicated service and contributions to the Company.

Outlook and Dividend

The Group did not declare a dividend for the financial year.

Overall, as we advised in the Annual Report, the Group expects the FY18 EBITDA (excluding significant items) to exceed the FY17 EBITDA of $51.1 million, subject to reasonable trading conditions and currency markets remaining relatively stable. Given the increasing proportion of earnings represented by the Americas and Europe, the earnings profile for FY18 is expected to be similar to that of FY17, with the first half EBITDA below the prior corresponding period and all the growth biased towards the second half.

Conclusion

In conclusion, 2017 was an important milestone year in your Company's transformation.

Our largest region of the Americas produced a significant improvement in profitability which we are confident can be sustained. Europe is positioned for its fifth consecutive year of EBITDA growth. The issues that have challenged us in Asia-Pacific have been clearly identified and are being addressed, aggressively.

I thank our dedicated worldwide workforce of over 4,000 people for their continued commitment to the business and its customers, both wholesale and retail.

I thank shareholders for their ongoing interest in the Company and I look forward to reporting back on our continued progress.

To give you some further insight to Billabong's underlying performance and the path ahead, please welcome chief executive officer Neil Fiske.

MANAGING DIRECTOR & CEO'S ADDRESS - NEIL FISKE

Thank you Ian. Good morning to everyone here and to those listening in on the webcast.

A long time ago the Greek philosopher Heraclitus famously said: "the only constant is change".

That truth has never been more relevant.

The world is becoming ever faster, ever more digital, ever more globally connected. Distribution channels are shifting. Fashion cycles are shortening. Trends move across the globe with the speed of an Instagram post.

And more than ever, this change is being led by the younger consumer.

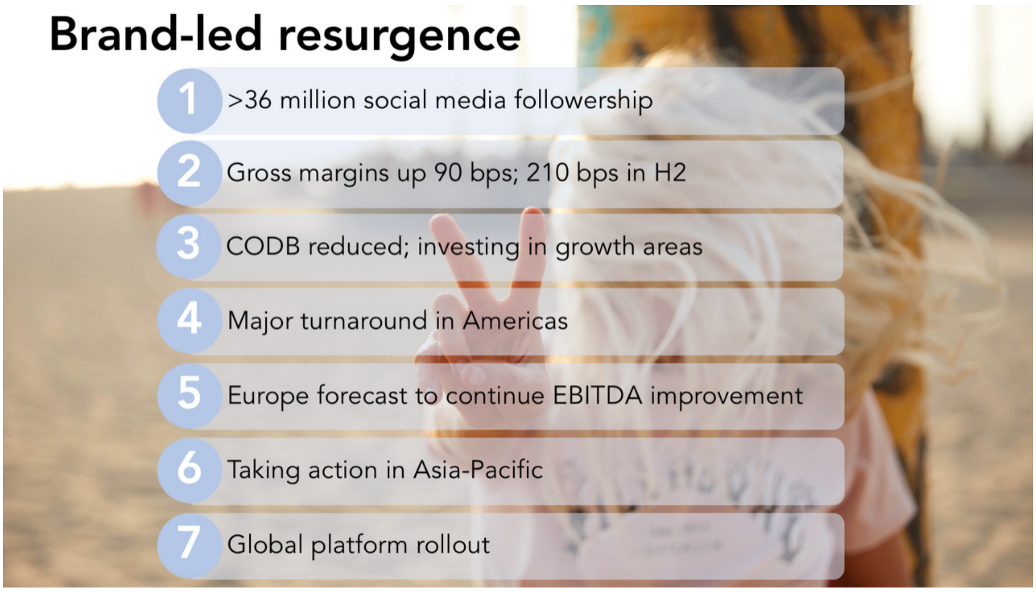
As a youth oriented company, everything we do is about gearing the business for this incredible period of change in which we find ourselves.

Four years ago, we embarked on a strategy to transform Billabong International from a complex, regional business to a simplified, more global, more agile one. Our vision was to build strong global brands on global platforms that connect and serve more consumers around the world. Bringing our brands to consumers how they want, when they want, wherever they may be.

Our seven part strategy was the roadmap to get us there.

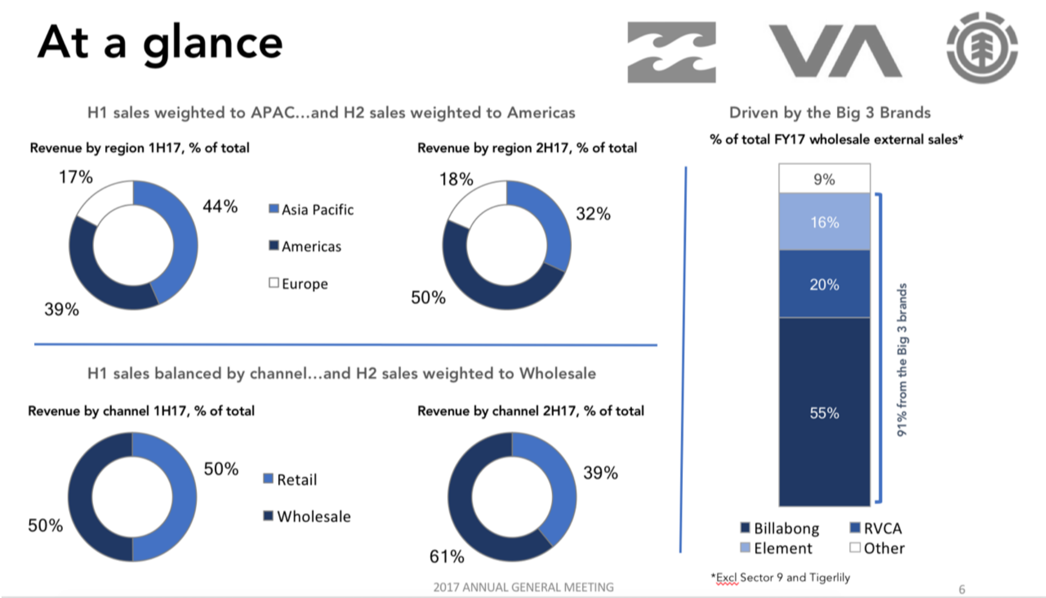
We have made a lot of progress against that strategy and overcome many of the external shocks that came our way in that time period – including tens of millions of dollars in increased product costs due to currency movement, structural changes in the retail landscape, and challenges faced by a number of our major wholesale accounts.

We still have much to do – and by no means are we satisfied with our results. But I want to be clear: the fundamental changes we sought are taking hold and showing improvements in the core of the business.



- Our brands are more connected than ever, with over 36 million social media followers around the world between our brands, athletes and advocates, up 42 percent year over year.
- Our global sourcing and concept to customer initiatives have lifted gross margins by 90 basis points for FY17 – 210 basis points in the second half – and we expect further margin gains in the year ahead in every region.
- Our cost structure is more competitive.
- Investments in our global platforms are coming on line, including the launch earlier this month of our new ecommerce platform with Surf Dive and Ski.
- The Americas produced a major sustainable turnaround in profitability.
- Europe turned in its fourth consecutive year of EBITDA improvement.
- Yes, we have challenges in Asia Pacific. But shareholders should be in no doubt: we are dealing with issues in APAC aggressively and comprehensively. We have every confidence that the actions we're taking will turn this region around – just as they did in the Americas.

I will go into those actions shortly, but first let's break down the results for FY17.



Here's a breakdown of our business overall, and by half.

The first half is weighted toward APAC and the retail channel, the second half toward the Americas and the wholesale channel. The earnings profile of the company has shifted substantially to the second half, a trend we expect to see again in the year ahead.

Our big three brands, Billabong, Element, and RVCA, now comprise 91 percent of our external wholesale sales.

Overall, FY17 was a tale of two halves – the first half down but more than offset by a very strong second half. Year over year, we were up 2.8% in EBITDA in constant currency. At our last AGM, we set some ambitious goals for the balance of the 2017 financial year. We achieved those and came in just shy of our guidance – despite a very challenging environment, particularly here in Australia.

It is worth repeating: two of our three regions performed well last year – the Americas and Europe. APAC fell short, some of it due to macro conditions and some of it from our own execution issues, which we are correcting.

The Americas, which has long been the top priority for the Group's turnaround, produced a strong set of numbers:

- Full year EBITDA lifted 46.9% year on year
- Gross margins improved 290 basis points for the year – 380 basis points in the second half.
- Total comparable retail sales gained 8.0%, with brick and mortar stores up 2.3%
- Ecommerce, which is most developed in the Americas at 7.4% of total sales, grew 25%
- Billabong and RVCA, our two biggest brands, again built market share in the core specialty channel.
- Inventory ended the year down 14%

Importantly, this isn't just a one year result. The underlying improvements will continue to build EBITDA in the years ahead.

Europe EBITDA improvement

- EBITDA up 70.4% cc in H2 and 8.9%* for the year
- Fourth consecutive year of EBITDA improvement
- Strong second half result
- Ecommerce up 27.5%, but still plenty of upside opportunity
- Gross margins up year-on-year on a comparable basis
- Lead region for Element

*before global allocations

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In Europe, we achieved our fourth consecutive year of growth in EBITDA. After a soft first half, the region rebounded strongly in the second half to end the year up 8.9% in EBITDA. We are very pleased with the strides we have made in this region. The four year trend is the result of hard work and lasting, fundamental changes we have made – simplifying the business, focusing on our big three brands, leveraging our global platform initiatives, improving margins and the quality of revenue, and strengthening the talent base while streamlining the cost structure. These changes position us well for a fifth consecutive year of profit improvement.

Asia-Pacific a key focus

- EBITDA down 28.3%*
- Challenging retail sector
- Some consolidation of specialty surf retailers
- Internal factors also affected outcome
- Targeted response to address shortfall:
  - ✓ Product
  - ✓ Sales
  - ✓ Digital commerce
  - ✓ Retail execution

*before global allocations

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So we feel very positive about the substantial progress in the Americas and Europe. Where we fell short was in Asia-Pacific, and most acutely in Australia. The APAC region dropped 28.3% in EBITDA for the year.

I want to spend some time today detailing our actions to turn around this market.

We certainly confronted tough macro conditions last year. Reports of retail weakness in Australia were widespread in a year marked by a number of retail chain closures, declines in mall traffic, and heavy discounting. All of these factors weighed on our result.

Still, we can do better. We had some misses on product and on sales execution, and we needed to make some leadership changes.

We have responded to these issues – and the early positive signs we are seeing in the market give me confidence that we are on the right path.

Our actions are targeted in four areas: Product, Sales, digital commerce, and Retail execution.

First, and most important – product. We have fast-tracked changes to our assortment in both men's and women's, applied the learnings from our successes in the US, and we are using our large retail presence to test more ideas and respond more quickly to the market.

Looking at leading product line indicators and how we are performing in our own stores, I see our assortment improving over last year, though still with some softness in non-apparel lines (such as accessories and hardgoods).

For example, in our Billabong mono-brand stores our lead categories – boardshorts and women's swimwear – are up 13% year-to-date in the 14 comparable stores. That's a positive sign because the success of the rest of the line typically follows from these brand-defining categories. Indeed, we are seeing this in improving apparel trends in these same stores. These results should start to translate to our 83 Australian multi-brand stores as inventory rotates through.

Element, meanwhile, has shown a sharp turnaround in multi-brand retail, up 11 percent on a comp store basis with margins up over 300 basis points.

Speed to market has been a big focus of ours – and here again, we're seeing good results. The percentage of our assortment that is on the speed calendar has nearly tripled so far this year, from 5 to 14 percent. And those speed-to-market styles are selling faster and turning more quickly at higher margins.

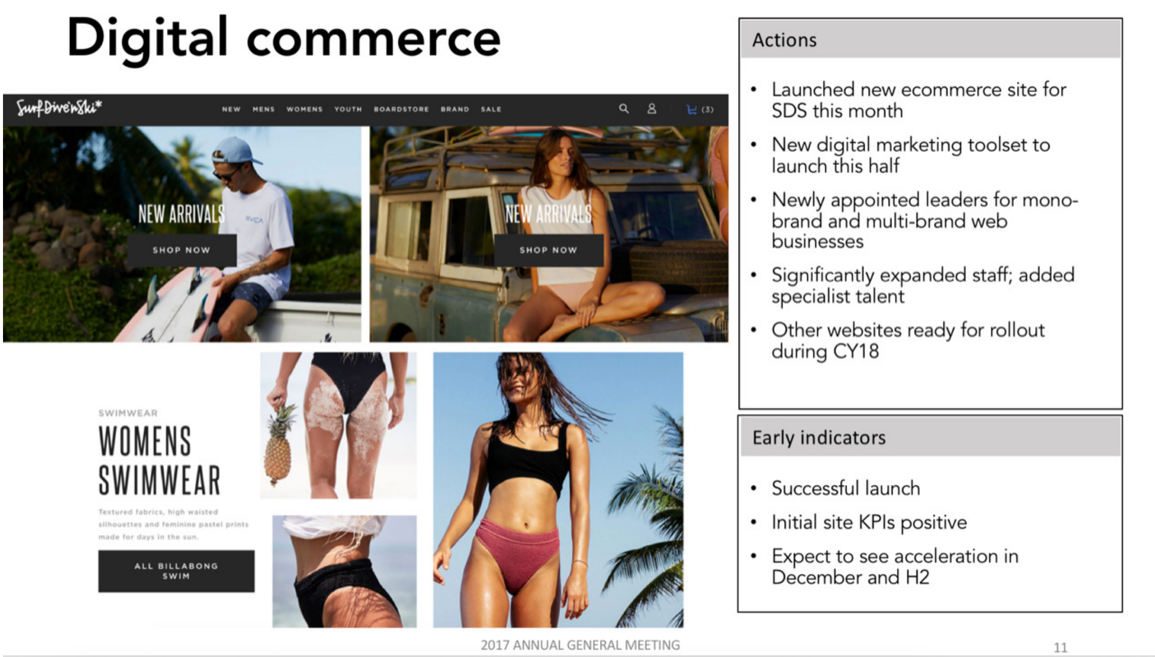
To improve our product outcomes we have also added talent, streamlined the leadership structure, and improved the coordination between our design teams across the US and Australia as well as our retail.

In the area of sales, I'm very encouraged by what we're seeing from our new sales leader for Billabong, who is highly respected in the industry and well known to us, having worked for the company in the past.

In addition to new leadership, we have improved our processes and revamped our engagement with our account base.

These changes will take some time to have full effect given how far in advance our wholesale accounts buy much of their product. But already we are getting good feedback and seeing a positive impact on both repeat and forward orders. The first complete selling season under our new leadership team, which delivers in the second half of this fiscal year, has finished up more than 20 percent in initial orders. While this is the smallest volume season, it is another encouraging development.

In Ecommerce, we know we are underdeveloped in the APAC market – at just 1.9 percent of sales compared with the Americas at 7.4 percent. This is a big opportunity for us. We have hired experienced leaders for both our mono-brand and multi-brand web businesses, have staffed up the teams and are investing much more aggressively this year to accelerate growth, especially in mobile.



This past week we have launched the first of a series of new websites on our new, far more advanced ecommerce platform here in Australia with Surf Dive and Ski. The launch has gone well and the early reads are positive on the site's key performance indicators.

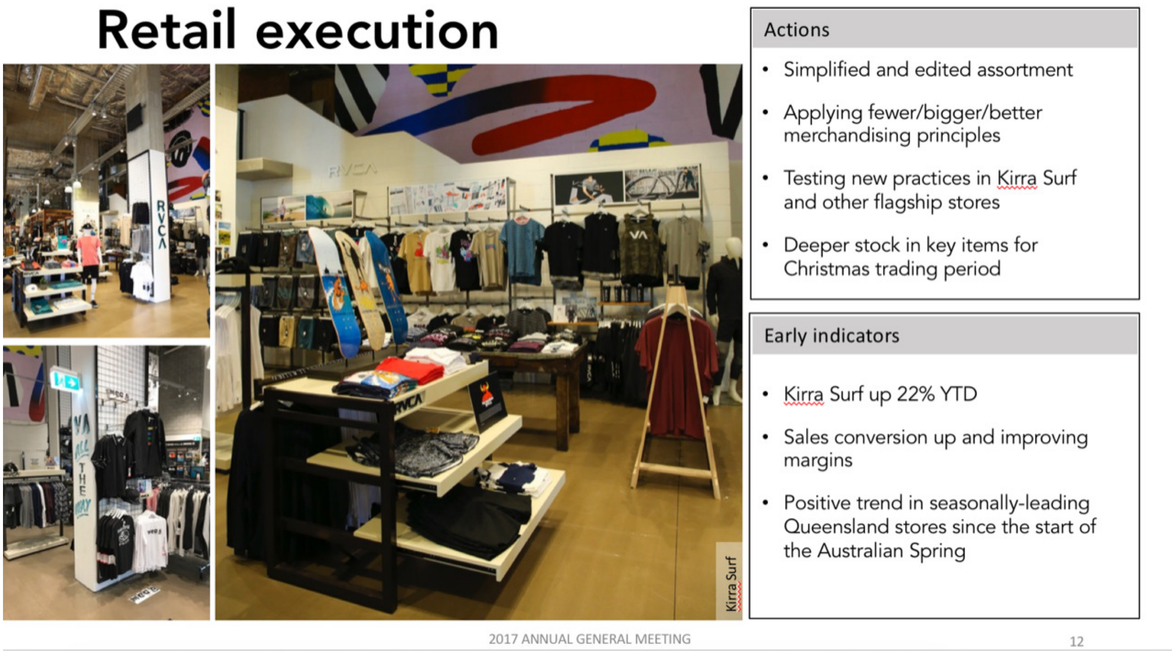
This is an important milestone in our program; we now have the tools and the team to quickly accelerate ecommerce revenue. Other websites will follow in CY18.

And just as we've done in ecommerce, Australia will be the region of first deployment for the broader set of omni channel platform initiatives – which include modernised systems for our retail stores, a state of the art customer direct marketing capability, and a new digital platform to support the wholesale channel.

The future of retailing lies in being seamlessly omni channel – with stores, ecommerce, social media and customer database marketing all connected together to give us one integrated view of our customers while allowing them to shop the way they want to shop.

And the start of this transformation is right here. In Australia. I couldn't be more excited about what this first deployment heralds for the omni channel future of the company.

Brick and mortar stores are very much part of that future. However, consumers demand they be better merchandised, easier to shop, and more engaging. Less clutter, more wow factor. Here too we are making progress.



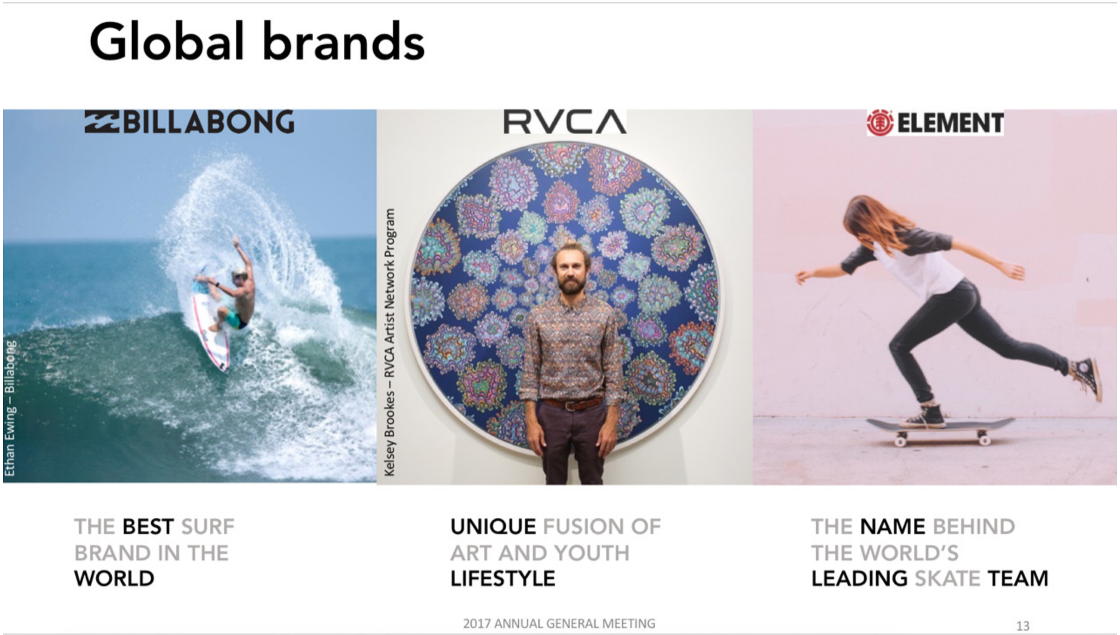
We have simplified our assortments. Made bigger statements with our own brands. Put depth behind the best styles. Applied the principles of fewer/bigger/better merchandising.

At Kirra Surf here on the Gold Coast, Australia's largest and most iconic surf shop, we have turned the store into a large scale accelerator of these retailing principles. The consumer response has been really strong. Year to date, the store is up 22 percent.

Beyond Kirra, I believe we are heading into the critical Christmas trading season with a better assortment, better preparation, and better execution. Even though mall traffic is still weak, our conversion in-store is up and our margins are improving. Importantly, in seasonally-leading Queensland stores we're seeing solid performance and a positive trend since the start of the Australian Spring.

So in sum… across all four areas we have targeted for improvement in Australia – product, sales, digital commerce, and retail execution – our actions are yielding results.

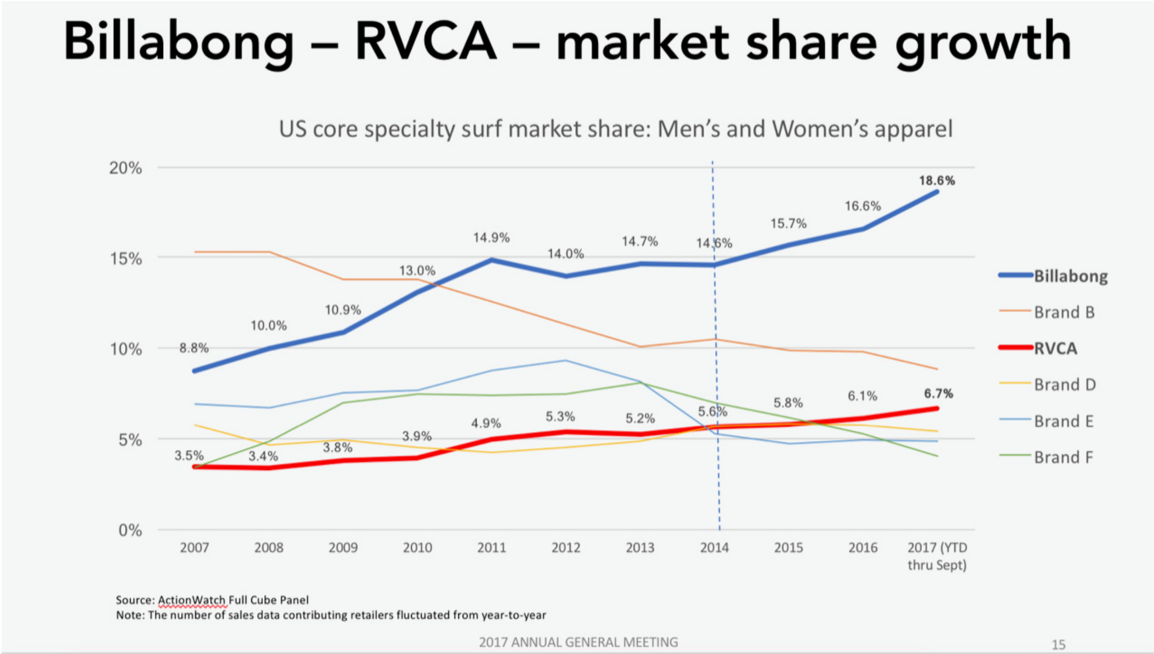
The lead times in this business are such that the positive changes we've made will take some time to flow through all our channels, so we still expect weakness in the first half in APAC, but should see the start of recovery and year-on-year EBITDA growth in the second half.



Underpinning everything we do is the strength of our big three brands: Billabong, RVCA and Element.

One thing is very clear: these are truly global brands with significant growth potential. You don't get to 36 million social media followers in this industry without global appeal and strong brand equity.

We believe Brand Billabong is the best surf brand in the world. Among the highlights, Billabong women's had a truly standout year in the US, and was named surf industry brand of the year both in the US **and** here in Australia.



Independent industry research from ActionWatch shown on this slide measures US market share in a panel of specialty surf retailers.

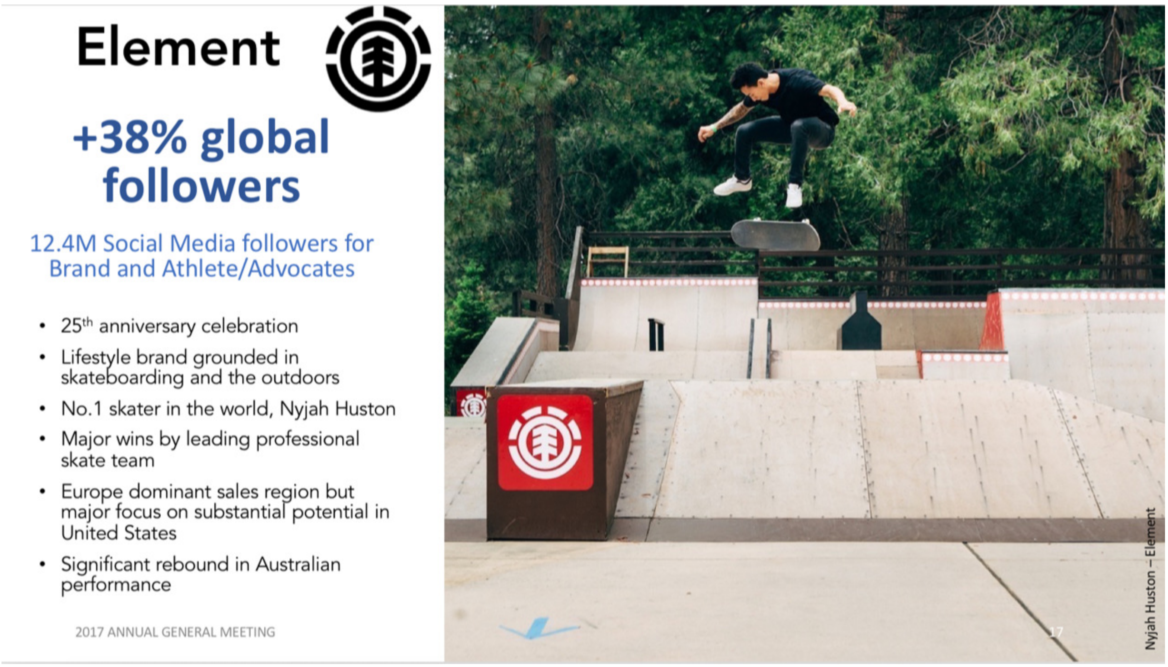
Every year since 2014 Billabong has widened its number one share position in the core market. Brand Billabong now has twice the share of its nearest competitor in this important channel.

Only one other big brand on the chart has shown share gain in that time period, and that's RVCA.

RVCA is a brand with tremendous growth potential around the world. We've now proven that in every region. RVCA is the only brand in action sports that covers such a diverse set of youth subcultures – from Art to Surf to Skate to Mixed Martial Arts. This brand could grow to 2-3 times its current size.

On every dimension of what we call the growth cube – channels, geographies, and categories – there is ample opportunity ahead. Men's, Women's, and Kids. Categories like RVCA sport and accessories, which are just getting going. Geographic expansion in APAC, Europe, Brazil and emerging markets.

In RVCA's direct-to-consumer channel, E commerce is growing rapidly, we are expanding the RVCA presentation in our multi-brand retail like Kirra Surf, and will open mono-brand stores in the next twelve months in Tokyo, Bali, and Southern California.



Element is a brand grounded in skateboarding and the outdoors that has stood the test of time, marking its 25th anniversary in 2017. One of its great assets is the diversity and depth of the Element skate team, including the number one competitor in the world in Nyjah Huston. Europe is currently Element's largest region, but we have prioritized the US as the region with the greatest opportunity. Here in Australia, we have been very pleased with the turnaround of the brand in the last six months.

“Our vision for growth for all our brands lies in connecting them more directly and more responsively to their consumers in any corner of the world through the global platforms we are deploying.”

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Ultimately our vision for growth for all our brands lies in connecting them more directly and more responsively to their consumers in any corner of the world through the global platforms we are deploying. Those platforms include global product sourcing, logistics and distribution, development support for emerging markets, and our new cloud-based omni channel capability.

Outlook

The Group expects FY18 EBITDA (excluding significant items) to exceed FY17 EBITDA of $51.1 million, subject to reasonable trading conditions and currency markets remaining relatively stable. Given the increasing proportion of earnings represented by the Americas and Europe, the earnings profile for FY18 is expected to be similar to FY17, with the first half EBITDA below the prior corresponding period and all the growth biased towards the second half.

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Now, let's turn to outlook for FY18.

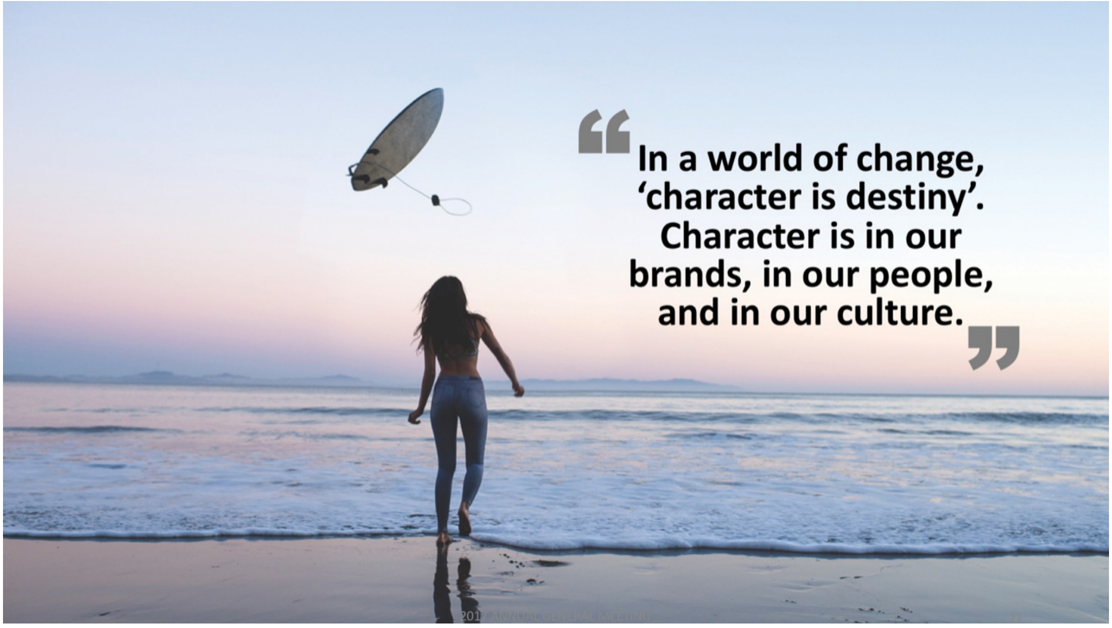
Looking at the fiscal year, it's important to bear in mind the shape of the business I shared earlier. We also note that we are investing more heavily to drive the areas of greatest growth potential. Marketing spend, particularly in direct-to-consumer, will be up for the first half and year overall, as will CODB investment in ecommerce and RVCA.

Our outlook statement remains as it was at the year-end result in August – shown here on slide 19 –and was summarised earlier by Ian.

Twelve months ago we set some ambitious goals, and we achieved them. For the 2018 fiscal year we have again challenged ourselves with clear objectives:

- To again achieve EBITDA growth in the Americas and Europe
- To change the trajectory in APAC, with a marked lift in second half EBITDA
- To deliver another year of Group EBITDA improvement
- To further increase gross margins in every region as a key driver of profit improvement
- To accelerate ecommerce, particularly here in Australia, on the back of our newly deployed capabilities

And just as last year, I am confident that we will deliver on these objectives.



At the beginning I shared a quote from Heraclitus, that the only constant is change.

But he also said in a world of change, character is destiny.

For the Billabong Group, our character is in our brands, our people, our culture. It's is in our passion, our authenticity, our drive to be the very best at what we do.

So I'd like to finish by thanking the tens of thousands of talented people around the world who are so incredibly dedicated to building our brands and delivering for our customers. By any measure of character, you rise to the very top. On behalf of the Board, shareholders, customers, athletes, and retail partners, thank you sincerely and from the heart.

TRACEY WOOD

COMPANY SECRETARY