

13 January 2017

Market update: Cessation of contractual relationship with Streamline Retail Pty Limited

SurfStitch Group Limited (ASX:SRF) (**Company**) provides the following update to the market:

Streamline Retail Pty Limited (Streamline)

The contractual relationship between the SurfStitch Group and Streamline has been brought to an end by Streamline. Streamline, a company owned and controlled by Justin Cameron, former CEO and executive director of the Company, had provided information technology services to the Company and the SurfStitch Group since 2014. The Company has engaged contractors to secure the uninterrupted and ongoing supply of relevant IT services.

Lawyers for Streamline have indicated that Streamline asserts certain rights and obligations relating to the prior contractual relationship between the parties. These rights and obligations, including the ownership and control of certain intellectual property rights, are disputed (**Disputed Rights**). The Disputed Rights have not, as yet, been clearly identified by Streamline and no specification has been provided as to the ownership or extent of the Disputed Rights. As a consequence, the possible scope and impact of the dispute upon the Company are currently unclear. Further updates will be provided on any material developments in relation to this matter.

ENDS

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