

BEYOND SPORTSWEAR INTERNATIONAL LIMITED
(ASX: BSI)

ASX and Media Release

31 January 2013

Appendix 4C for the December 2012 Quarter

Beyond Sportswear International Limited (“**BSI**” or the “**Company**”) wishes to release its Appendix 4C for the quarter ending 31 December 2012.

Quarterly Report

The negative consequences of the poor trading conditions that arose during the quarter were such that, in order to give effect to the proposed Spin Off (as previously announced on 3 August 2012) the Company was unable to obtain the required consents from secured creditors without agreeing to carry some potential liability post Spin Off completion. To this end it was necessary to modify the Asset Transfer Deed (which formed part of the Spin Off) to reflect that contingent liabilities with respect to core debt and a debtor funded facility of up to \$400,000 each remain with the Company.

Subsequent to the Spin Off, the Company announced a pro-rata non-renounceable Entitlements Issue of 1 fully paid ordinary share for every 2 shares held at an issue price of \$0.001 per share. The Entitlement Issue raised \$16,495.

Following the quarter end, the Company announced on 30 January 2013 a Placement of up to 484,943,210 fully paid ordinary shares at \$0.001 per share to raise up to \$484,943 before costs.

It also wishes to advise that it is in ongoing discussions with the two entities who maintain a charge over the Company in respect of their removal and settlement. The Company will advise the outcome of these discussions in due course.

A handwritten signature in black ink, appearing to read 'Andrew Plympton', is written over a horizontal line.

Andrew Plympton
Chairman

Rule 4.7B

Appendix 4C

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

BEYOND SPORTSWEAR INTERNATIONAL LIMITED
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ABN

41 108 042 593

Quarter ended ("current period")

31 DECEMBER 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current Period \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	656	3559
1.2 Payments for		
(a) staff costs	(270)	(1262)
(b) advertising and marketing	(0)	(35)
(c) research and development		
(d) leased assets	(15)	(65)
(e) other working capital	(341)	(2907)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(86)	(151)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(56)	(861)

+ See chapter 19 for defined terms.

Appendix 4C

	Current Period \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(56)	(861)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) assets of Primary Edge		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		4
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (a) (Deposit of monies to secure banking facilities)		
(b) Deposit paid to acquire		
Net investing cash flows		4
1.14 Total operating and investing cash flows	(56)	(857)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	16	16
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	439	1133
1.18 Repayment of borrowings	(141)	(406)
1.19 Dividends paid		
1.20 Other (Refer 1.26 below)		
Net financing cash flows	314	743
Net increase (decrease) in cash held	258	(114)
1.21 Cash at beginning of period/year to date	(257)	115
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of period	1*	1

* On 30 January 2013 the Company announced to the ASX a Placement of up to 484,943,210 fully paid ordinary shares at \$0.001 per share to raise up to \$484,943 before costs.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current period \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	0	0
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Period \$A'000	Previous Period \$A'000
4.1 Cash on hand and at bank	1	
4.2 Deposits at call (net of deposits held securing banking facilities)		
4.3 Bank overdraft		(257)
4.4 Other (provide details)		
Total: cash at end of period (item 1.22)	1*	(257)

* On 30 January 2013 the Company announced to the ASX a Placement of up to 484,943,210 fully paid ordinary shares at \$0.001 per share to raise up to \$484,943 before costs.

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a)) \$'000	Disposals (Item 1.10(a))
5.1 Name of entity		<i>Please refer to attachment "Capital Reduction and In Specie Distribution"</i>
5.2 Place of incorporation or registration		
5.3 Consideration for Acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.


Andrew Plympton
Chairman

31 January 2013

+ See chapter 19 for defined terms.

CAPITAL REDUCTION AND IN SPECIE DISTRIBUTION

Following an extraordinary general meeting conducted on 6 August 2012 the following resolutions were passed and subsequently actioned:-

“That, for the purposes of ASX Listing Rule 11.2, sections 256B and 256C of the Corporations Act 2001 and for all other purposes:

- (1) The Company’s interest in Key Assets were transferred to a wholly-owned subsidiary of the Company, incorporated as BSI2;
- (2) The Board of the Company was authorised at its discretion to effect a reduction in the issued share capital of BSI, without cancelling any shares, by an amount equal to the market value (as assessed by the Directors of the company) of the total issued capital of BSI2 on the record date;
- (3) The reduction and transfer were satisfied by the Company making a pro-rata in specie distribution of all the shares held by the Company in BSI2 to holders of fully paid ordinary shares in the Company registered as at the Spinoff Record Date on and subject to the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Following the above, the Company’s control over its subsidiaries ceased.

As a result of the actions taken in (1) to (3) above, the fair value of the in specie distribution was determined to be \$6.873 million, as follows:-

Fair Value of Net Assets Transferred:-

	\$'000's
Cash	31
Trade & Other Receivables	2,137
Inventory	1,680
Other Current Assets	476
Plant & Equipment	1,423
Intangibles	13,041
Tax Assets	4,680
Other Non-Current Asset	75
	<hr/> 23,543
Less:	
Payables	(5,359)
Borrowings	(10,741)
Provisions	(570)
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Net Assets Transferred to BSI2	<u>6,873</u>