



QUARTERLY UPDATE, APPENDIX 4C & SUPPORTING DOCUMENTATION

Melbourne, Australia; 22 July 2016: Redbubble Limited (ASX:RBL) a leading global marketplace for independent artists, today lodged its Quarterly Cash Flow Report (Appendix 4C) for the quarter ended 30 June 2016 (attached).

Redbubble reported operating cash flow of (A\$2.2M) for the fourth quarter of FY2016 with a cash balance of \$42.2M at 30 June 2016.

“The strong result reflects the solid dynamics of the Redbubble business. Our reportable fourth quarter and FY 2016 results were ahead of IPO forecasts”, said Redbubble CEO Martin Hosking. “Strong revenue growth, improved margins and lower operating expenditure growth resulted in an EBITDA loss \$1.5M better than forecast. Overall the business is scaling well with revenue growth ahead of operating expenditure growth and with stable margins and low customer acquisition costs.

Towards the end of the last quarter, growth in Gross Transaction Value was marginally softer than forecast. This reflects usual variability and, accordingly, we are not changing our 2017 forecast.”

Operating highlights

There has been solid implementation of Redbubble’s growth plans since the IPO Prospectus was filed in May 2016.

During the half-year to 30 June:

- 6 new physical products have been launched taking the total to 57
- German and French websites launched ahead of schedule
- Significant website and mobile experience improvement
 - Improved checkout flow
 - Shopping cart upgrade including new payment options
 - New homepage with first personalisation capability
 - Mobile strategy on track



About Redbubble

Founded in 2006, Redbubble is a global online marketplace powered by over 400,000 independent artists. Redbubble's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationary, housewares, bags, wall art and so on. Through the Redbubble marketplace independent artists are able to profit from their creativity and reach a new universe of adoring fans. For customers, it's the ultimate in self-expression. A simple but meaningful way to show the world who they are and what they care about. Redbubble is listed on the ASX (RBL.AX)

Supporting resources

Redbubble have compiled an information pack in support of the Appendix 4C. For this and other relevant information please visit:

- Investor Centre: <http://shareholders.redbubble.com/>
- Website: <http://www.redbubble.com/>

Nature of this release

This quarterly update represents the first release of information post Redbubble IPO and as such supplementary documentation has been compiled to support the Appendix 4C. Additional information provided is intended to help add context in the early stages of the company's life as a listed entity.

Redbubble will be releasing Appendix 4E full year results on 25 August.

Redbubble contact

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Redbubble Limited

ABN

11119200592

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months)
1.1 Receipts from customers ⁽¹⁾	32,775	145,442
1.2 Payments for (a) staff costs ⁽²⁾	(5,420)	(21,917)
(b) advertising and marketing	(1,924)	(9,799)
(c) research and development	(182)	(581)
(d) leased assets	(299)	(1,227)
(e) artists earnings	(4,439)	(20,364)
(f) fulfiller expenses	(15,964)	(74,902)
(g) sales taxes	(1,472)	(6,023)
(h) other working capital ^{(3)&(4)}	(5,414)	(15,386)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	91	190
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid ⁽⁵⁾	-	(285)
1.7 Other	80	120
Net operating cash flows	(2,168)	(4,732)

⁽¹⁾ Receipts from customers represents Gross Transaction Value grossed up for refunds, fraud and chargebacks and adjusted for minor timing differences.

⁽²⁾ Staff costs include employee benefits and contractors' costs but exclude costs classified as Research and development (disclosed at item 1.2(c)) and costs related to capitalised development (disclosed at item 1.9(e)).

⁽³⁾ June quarter Other working capital includes \$A 2.011M of IPO related costs not charged to equity. IPO costs charged to equity are included in item 1.20.

⁽⁴⁾ Other working capital also includes refunds, fraud and chargebacks grossed up in determining Receipts from customers (item 1.1).

⁽⁵⁾ Income tax paid relates to US subsidiary.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,168)	(4,732)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets (property, plant and equipment)	(196)	(818)
(e) other non-current assets (capitalised development costs)	(1,755)	(6,152)
1.10 Proceeds from disposal of:		
(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 Loan and interest repaid by a related party	-	333
Net investing cash flows	(1,951)	(6,637)
1.14 Total operating and investing cash flows	(4,119)	(11,369)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	30,152	30,672
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings (converted into shares at IPO)	-	12,250
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Transaction costs for borrowings and issue of shares	(2,104)	(2,510)
Net financing cash flows	28,048	40,412
Net increase (decrease) in cash held	23,929	29,043
1.21 Cash at beginning of quarter/year to date	18,651	13,974
1.22 Exchange rate adjustments to item 1.21	(356)	(793)
1.23 Cash at end of quarter	42,224	42,224

+ 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 quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	88
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1.24	Payment of executive director's salary and non-executive director's fees
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and

2.1	Borrowings in the form of Cumulative Redeemable Preference shares (including interest thereon) of \$A 16,273,000 and Pre-IPO Convertible Notes of \$A 12,250,000 were converted into Share Capital at IPO.
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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

2.2	N/A
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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
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 quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	42,224	18,651
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	42,224	18,651

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	
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.

Sign here:

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(Director/Company secretary)

Date:

.....

Print name:

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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional
- 2 The definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report except for any
- 3 Accounting Standards. ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.