

SurfStitch Group Company Update

Sydney, Australia – SurfStitch Group Limited (ASX: SRF) today advises that Group CEO and Managing Director, Mr Justin Cameron has submitted an email to the Chairman stating his resignation from all positions with the Group with immediate effect. The Company understands Mr Cameron is pursuing an opportunity relating to a potential acquisition of the Company in conjunction with private equity.

The Company stresses that it has not, to date, received any formal or informal proposal from, nor has it had any discussions with, private equity in relation to any potential acquisition of the Company. Furthermore, the Company has not received any specific information from Mr Cameron in relation to what the possible terms and conditions may be of any potential acquisition proposal. However, the Board of Directors has formed an Independent Board Committee to consider and respond to any proposal that the Company may receive.

Any proposal received by the Company would be assessed on its merits and in the context of maximising shareholder value as it would in the ordinary course. However, it is important that shareholders note that there is no certainty that any proposal or approach from any party may be forthcoming.

As Mr Cameron has tendered his resignation during the initial fixed two year period and before his employment contract permits, the Company is assessing its options having regard to the best interests of shareholders. In the interim, the Chairman, Mr Howard McDonald will monitor the activities and day to day operations of the Company and any update will be provided in due course.

The Company has no update further to the recent release of its 1H16 interim results and continues to pursue a number of exciting investment opportunities consistent with its global content strategy.

The Independent Board Committee has engaged UBS to act as its financial adviser and Herbert Smith Freehills to act as its legal adviser.

About SurfStitch Group

SurfStitch Group is an industry leading online global action sports and youth culture network. SurfStitch Group has evolved from a pure-play online action sports retailer to become a destination for customers to connect with everything action sports related. Together, SurfStitch Group's websites serve a unique customer community of over 6 million, representing a digital ecosystem capable of capturing and influencing all points of the surf and action sports lifestyle cycle.

SurfStitch Group's global retail business is now home to over 50,000 styles from over 600 of the world's leading and unique action sports and street fashion brands including SurfStitch Group's vertical line of hard goods under the brands: FCS, Gorilla, Hydro and Softech.

The Group's media businesses consist of:

- ***Magicseaweed*** – Magicseaweed is the world's leading user generated surf content network and surf forecaster.
- ***Stab*** – As the leading surf content player, Stab represents a platform for athletes to engage consumers, for brands to inspire consumers with new and exclusive products, for users to engage in video and social environments, and broader events and industry updates.
- ***Garage Entertainment and Production*** – Garage Entertainment and Production produces and digitally distributes premium action and extreme sports long form films and TV content through SVOD and linear channels.
- ***'The Lens'*** – 'The Lens' is SurfStitch.com's content publishing platform created for customers to engage in and experience everything action sports and youth lifestyle related.

Headquartered in Sydney, Australia, the SurfStitch Group has regional office locations in Australia, the UK, the USA, France and Japan. The Company's ordinary shares trade on the Australian Securities Exchange (ASX) under the ticker SRF.

For further information:

Adrian Lee
UBS
+612 9324 2022

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