



**Billabong
International
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ASX ANNOUNCEMENT

BILLABONG INTERNATIONAL LIMITED ENTERS PERIOD OF EXCLUSIVITY WITH THE SYCAMORE CONSORTIUM

GOLD COAST, 9 April, 2013: On 14 January 2013, Billabong International Limited (“**Billabong**” or the “**Company**”) announced that it would conduct a process to evaluate whether a change of control proposal, at a price and on terms that the Board would recommend, could be secured. Participants in this process consist of a consortium comprising Paul Naude and Sycamore Partners (the “**Sycamore Consortium**”) and a consortium comprising Altamont Capital Partners and VF Corporation (the “**Altamont/VF Consortium**”).

Billabong today announces that it has entered into a ten business day period of exclusivity with the Sycamore Consortium in relation to a non-binding proposal to acquire 100% of Billabong’s shares for A\$0.60 cash per share or, at the election of Billabong shareholders, scrip in a Sycamore affiliate to be incorporated for the purposes of making the bid (“**NewCo**”). If scrip elections exceed 24.9% of NewCo shares, such elections would be scaled back pro rata.

It will be a condition of the Sycamore Consortium proposal that scrip elections are received for at least 15% of the shares in Billabong, and that Gordon Merchant and Colette Paull confirm that, in the absence of any superior proposal, they (and their families) will elect to receive the scrip consideration. Gordon Merchant and Colette Paull, whose families currently hold approximately 16% of the shares in Billabong, have advised that they are prepared to give such confirmation. The elections by the Merchant and Paull families are subject to the same pro rata scale back as all other shareholders if total scrip elections exceed 24.9% of NewCo shares.

The ten business day exclusivity period has been granted to the Sycamore Consortium to allow it to engage an internationally recognised accounting firm to complete a confirmatory quality of earnings analysis, typical of an acquisition debt financing.

Billabong has also negotiated a Scheme Implementation Deed (“**SID**”) with the Sycamore Consortium, although no binding agreement has yet been entered into. Any SID that is entered into will be subject to a number of conditions, including that there is no material adverse change affecting Billabong after the date of the SID, and that the conditions of the bidder’s debt funding are satisfied.

There is no guarantee that the proposed transaction will proceed, and neither the Sycamore Consortium nor Billabong is under any obligation to proceed with the proposed transaction unless and until each party determines, in its sole discretion, to execute and deliver a binding SID and proceed with the transaction.

Billabong will update on the status of this proposal at the end of the period of exclusivity.

In the meantime Billabong shareholders do not need to take any action in relation to this matter.

Media or investor related queries should be directed to Chris Fogarty, Group Executive Corporate Affairs on mobile +61 420 928 824.

MARIA MANNING
COMPANY SECRETARY

