MinterEllison
LAWYERS

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2 March 2012

BY E-LODGEMENT
The Manager
Company Announcements Office
ASX Limited

Dear Sir / Madam

Notice of change in substantial holding – Gordon Merchant

We act for Gordon Merchant.

On behalf of Gordon Merchant we enclose ASIC Form 604 – Notice of change of interests of substantial holder in accordance with section 671B of the *Corporations Act 2001* (Cth).

This notice has been given to Billabong International Limited

Yours faithfully
MINTER ELLISON

Contact: Stephanie De Vere Direct phone: +61 7 3119 6274
Email: stephanie.devere@minterellison.com
Partner responsible: Bruce Cowley Direct phone: +61 7 3119 6213
Our reference: 40-6130586

enclosure

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme: Billabong International Limited

ACN/ARSN: 084 923 946

1. Details of substantial holder (1)

Name: Gordon Stanley Merchant for and on behalf of himself, Gordon Merchant No.2 Pty Ltd , GSM Pty Ltd and GSM Superannuation Pty Ltd

ACN/ARSN (if applicable): N/A

There was a change in the interests of the substantial holder on: 29/02/2012

The previous notice was given to the company on: 03/03/2006

The previous notice was dated: 03/03/2006

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
See Appendix A				

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Appendix B					

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
See Appendix C					

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Gordon Merchant No.2 Pty Ltd	PO Box 525 Currumbin, Queensland, 4223
Gordon Stanley Merchant	PO Box 525 Currumbin, Queensland, 4223
GSM Pty Ltd	PO Box 525 Currumbin, Queensland, 4223
Colette Paul	PO Box 525 Currumbin, Queensland, 4223
Billytoo Pty Ltd	PO Box 525 Currumbin, Queensland, 4223
GSM Superannuation Pty Ltd	PO Box 525 Currumbin, Queensland, 4223

Signature

print name Colette Paull. capacity Director

sign here Colette Paull. date 02/03/12.

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

ANNEXURE A

This is Annexure A of 2 pages referred to in Form 604 – Notice of change of interests of substantial holder to Billabong International Limited ACN 084 923 946 signed by me and dated 2 March 2012

...Colette Paull.....
Signature

Holder of relevant interest	Class of securities (4)	Previous notice		Present notice	
		Person's votes	Voting power (5)	Person's votes	Voting power (5)
Gordon Stanley Merchant (including 35,501,104 ordinary fully paid shares held by Gordon Merchant No.2 Pty Ltd, 2,268,994 ordinary fully paid shares held by GSM Pty Ltd and 2,523,600 fully paid ordinary shares in GSM Superannuation Pty Ltd in which Gordon Stanley Merchant has a relevant interest)	Ordinary fully paid shares	31,280,444	15.11%	40,293,698	15.795%
Gordon Merchant No.2 Pty Ltd (including 2,973,289 ordinary fully paid shares in which Colette Paull has a relevant interest. Colette Paull is an associate of Gordon Merchant No.2 Pty Ltd by reason of her being a director of Gordon Merchant No.2 Pty Ltd. Gordon Merchant No.2 Pty Ltd has no relevant interest in these shares. Also including 2,268,994 shares held by GSM Pty Ltd and 2,523,600 fully paid ordinary shares held by GSM Superannuation Pty Ltd	Ordinary fully paid shares	33,013,703	15.95%	43,266,987	16.96%

GSM Pty Ltd (including 2,973,289 ordinary fully paid shares in which Colette Paull has a relevant interest. Colette Paull is an associate of GSM Pty Ltd by reason of her being a director of GSM Pty Ltd. GSM Pty Ltd has no relevant interest in these shares. Also including 35,501,104 shares held by Gordon Merchant No.2 Pty Ltd and 2,523,600 fully paid ordinary shares held by GSM Superannuation Pty Ltd	Ordinary fully paid shares	33,013,703	15.95%	43,266,987	16.96%
GSM Superannuation Pty Ltd (including 2,973,289 ordinary fully paid shares in which Colette Paull has a relevant interest. Colette Paull is an associate of GSM Superannuation Pty Ltd by reason of her being a director of GSM Superannuation Pty Ltd. GSM Superannuation Pty Ltd has no relevant interest in these shares. Also including 35,501,104 shares held by Gordon Merchant No.2 Pty Ltd and 2,268,994 shares held by GSM Pty Ltd	Ordinary fully paid shares	Nil	Nil	43,266,987	16.96%

ANNEXURE B

This is Annexure B of 1 page referred to in Form 604 – Notice of change of interests of substantial holder to Billabong International Limited ACN 084 923 946 signed by me and dated 2 March 2012

.....Colette Paull.....
Signature

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
20.09.2006	Colette Paull as trustee for others without any economic interest	Off- market trade	$1,800,000	782,608 ordinary shares	782,608
19.06.2009	Colette Paull as trustee for others without any economic interest	Acquisition of shares under the 2 for 11 Retail Entitlement Offer	$3,430,665.00	457,422 ordinary shares	457,422
29.02.2012	GSM Superannuation Pty Ltd	On-market trade	$7,898,110.95	2,523,600 ordinary shares	2,523,600

ANNEXURE C

This is Annexure C of 2 pages referred to in Form 604 – Notice of change of interests of substantial holder to Billabong International Limited ACN 084 923 946 signed by me and dated 2 March 2012

.....Colette Paull.....
Signature

Holder of relevant interest	Registered holder of securities	Person entitled to be registered	Nature of relevant interest (6)	Class and number of securities	Person's votes
Gordon Merchant No.2 Pty Ltd (Gordon Stanley Merchant has a relevant interest in these shares)	Gordon Merchant No.2 Pty Ltd	Gordon Merchant No.2 Pty Ltd	Registered holder (Gordon Stanley Merchant has the power to vote shares held by Gordon Merchant No.2 Pty Ltd)	35,501,104 fully paid ordinary shares	35,501,104
GSM Pty Ltd (Gordon Stanley Merchant has a relevant interest in these shares)	GSM Pty Ltd	GSM Pty Ltd	Registered holder (Gordon Stanley Merchant has the power to vote shares held by GSM Pty Ltd)	2,268,994 fully paid ordinary shares	2,268,994
GSM Superannuation Pty Ltd as trustee for the Gordon Merchant Super A/C (Gordon Stanley Merchant has a relevant interest in these shares)	GSM Superannuation Pty Ltd	GSM Superannuation Pty Ltd	Registered holder (Gordon Stanley Merchant has the power to vote shares held by GSM Superannuation Pty Ltd)	2,523,600 fully paid ordinary shares	2,523,600
Colette Paull (Colette Paul is an associate of Gordon Merchant No.2 Pty Ltd, GSM Pty Ltd and GSM Superannuation Pty Ltd by virtue of her being a director of those companies. However, neither company has a interest in any shares in which Colette Paull has a relevant interest) (Gordon Stanley Merchant has no	Colette Paul	Colette Paull	Registered holder	29,778 fully paid ordinary shares	29,778

relevant interest in these shares)	Billytoo Pty Ltd	Billytoo Pty Ltd	(Colette Paull has the power to vote the shares held by Billytoo Pty Ltd)	390,000 fully paid ordinary shares	390,000
	BT Portfolio Services <Colette Paull Family A/C>	BT Portfolio Services	(Colette Paull has the power to vote the shares held by BT Portfolio Services)	703,710 fully paid ordinary shares	703,710
	Colette Paull and others jointly as trustee	Colette Paull and others jointly as trustee	(Colette Paull holds as trustee jointly with others and has no beneficial interest in these shares)	1,849,801 fully paid ordinary shares	1,849,801