Billabong International Limited

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ASX ANNOUNCEMENT

COMPANY UPDATE

GOLD COAST, 04 June, 2013: On 9 May 2013, Billabong International Limited ("Billabong" or the "Company") requested that its securities be voluntarily suspended from quotation pending an announcement with regard to possible transactions affecting the Company, including in connection with the bid process announced on 14 January 2013.

Billabong today announces that change of control discussions with the Sycamore Consortium and the Altamont / VF Consortium have now concluded.

Billabong also announces it is currently in discussions with Altamont Capital Partners ("Altamont") and in discussions with Sycamore Partners ("Sycamore") regarding proposals presented to the Company for alternative refinancing and asset sale transactions, the proceeds of which would be used to repay in full the Company's existing syndicated debt facilities ("Refinancing"). No period of exclusivity has been granted to either party with regards to the potential Refinancing.

"The Refinancing is intended to provide the Company with a comprehensive solution and an appropriate capital structure, allowing it to continue its reform agenda," said Billabong Chairman Ian Pollard. "It's our intention to conclude these discussions as soon as practically possible while aggressively reducing costs across all our global operations."

There is no guarantee that binding documentation acceptable to Billabong will be agreed with either Altamont or Sycamore in relation to the potential Refinancing transaction. In the meantime Billabong shareholders do not need to take any action in relation to this matter.

Billabong trading update

Australasia — Australasian trading is below expectations, principally in Australian bricks and mortar retail (excluding ecommerce). Whilst Australian wholesale is on plan, our performance in Australian retail is below last year. On a comparable store basis, year to date sales are 5.4% below the previous corresponding period and gross profit is 2.3% below the previous corresponding period.

Americas — The Americas is slightly ahead of plan for the half. Retail in particular has improved. It should be noted that June is an important month, especially for our wholesale business in the northern hemisphere, and earnings can be volatile depending on shipping cycles.

Europe — Europe remains weak, especially for our principal surf brand Billabong, as was largely anticipated in the guidance provided in our February announcement. Our ecommerce start-up losses in SurfStitch Europe (which we consolidate but only have a 51% interest in) have been $4m larger than anticipated and we are taking appropriate steps to limit these losses.

Summary — The February guidance provided by Billabong was for EBITDA in a range of $74m to $85m which included up to $4m from our equity accounted share of Nixon NPAT in the top end of the range. Excluding the Nixon equity accounted share of associates the range would have been $74m to $81m.

As a result of the weaker trading in Australia and the higher than expected start-up losses in SurfStitch Europe we now expect EBITDA (excluding any equity accounted share of Nixon NPAT and before Significant and Exceptional Items) to be between $67m to $74m.

Further, as part of the focus on costs and overall business performance, the Company is exploring the possible sale of Canadian retail chain West 49.

Based on the information in this announcement, the Company intends to seek its reinstatement to trading.

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