Billabong International Limited

ABN 17 084 923 946

1 Billabong Place
Burleigh Heads
QLD 4220 Australia

P O Box 283
Burleigh Heads
QLD 4220 Australia

Tel: +61 7 5589 9899
Fax: +61 7 5589 9654

www.billabongbiz.com

ASX ANNOUNCEMENT

BILLABONG INTERNATIONAL LIMITED RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2008

GOLD COAST, 20 February 2009: Billabong International Limited today announced it remains on track to deliver full year earnings per share growth in the range of 6% to 10% for the full 2008-09 financial year.

The trading update follows today's release of results for the six months to 31 December 2008, with the Company reporting sales growth of 22.2% to $808.6 million for the period.

As previously foreshadowed, net profit after tax (NPAT) declined 7.1% to $82.4 million and earnings per share (EPS) declined 7.4% to 39.9 cents per share. This result includes a $2.3 million non-cash, pre-tax impairment charge relating to the Company's own retail stores in the United Kingdom and the United States, which represents 1.0 cent in EPS and $2.0 million in NPAT. Excluding the impairment charge, NPAT declined 4.8% to $84.4 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) remained steady at $147.3 million, while Group EBITDA margins declined from 22.2% to 18.2%, principally reflecting the current challenging trading environment, particularly in the US.

The half year result was built on a strong overall performance in Europe, a steady outcome in Australasia and higher sales growth at lower margins in the Americas as the economic downturn took hold and consumer spending declined. Additionally, the benefits from exchange rate movements, in particular the weaker AUD against the USD and Euro, and sustainable improvements in the Group's effective tax rate also contributed positively to the result.

In Europe, reported sales lifted 24.0% to $177.8 million, while EBITDA margins increased to 20.1% from 19.3% in the prior corresponding period (pcp).

Reported sales in Australasia lifted 6.3% to $245.7 million, with EBITDA margins easing from 30.6% (pcp) to 28.3% reflecting increasing contributions from lower margin territories and negative currency impacts from South Africa.

The Americas had reported sales growth of 33.9% to $385.1 million, a result significantly boosted by acquisitions and favourable currency movements. EBITDA margins softened to 10.6% (from 16.7% pcp) following increased investment in Company owned retail businesses and a reduction in underlying year-on-year sales amid extremely weak economic and consumer conditions.

Billabong International Limited Chief Executive Officer Derek O'Neill said the Group's increased sales reflects the strength of Billabong's brands and enhances the Company's ability to emerge from the global slowdown in a position of strength.

"While the Company has experienced margin erosion in its biggest division, the Americas, the effect is being partially offset by strong appreciation in the USD against the AUD," he said.

"The Group's forward order book, including those of the new business units, coupled with currency benefits and cost controls, gives the Company the confidence it will achieve its guidance in the absence of any further significant deterioration in the global boardsports market."

Directors declared an interim dividend of 27.0 cents per share, franked to 45%, reflecting the increasing internationalisation of the business. The Group's dividend reinvestment plan remains unchanged, with a 2.5% discount.

The previously forecast full year EPS growth rate of 6% to 10% is being retained and is based on the assumption of a new monthly average exchange rate of 67 cents for the AUD/USD and 52 cents for the AUD/Euro for the balance of the financial year and the absence of any further significant deterioration in the global boardsports market.

MARIA MANNING
COMPANY SECRETARY