



**Billabong
International
Limited**

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ASX ANNOUNCEMENT

ANNOUNCEMENT BY BOARDRIDERS, INC.

GOLD COAST, 23 March 2018: Billabong International Limited (ASX:BBG) notes that Boardriders, Inc. released the attached announcement today.

TRACEY WOOD
COMPANY SECRETARY





Boardriders Reaffirms Billabong Acquisition is Best Value for Shareholders

Huntington Beach, CA – March 22, 2018 – Boardriders Inc., a global action sports and lifestyle company that owns and operates Quiksilver, Roxy, and DC Shoes brands, today reaffirms that its proposed acquisition of Billabong International Limited (ASX:BBG) is in the best interest of all shareholders.

Boardriders has actively pursued a combination with Billabong because its brands, business, and people are natural complements to the Boardriders platform. Billabong is particularly strong in certain product categories and markets, while Boardriders has made significant investments in back-office systems, tools and processes – and these are assets that will substantially strengthen Billabong’s portfolio of brands. These complementary strengths and skills will best position the combined company to compete in a contracting and competitive retail environment. The Boardriders and Billabong teams have worked for many months to define the transaction and future structure, and believe this plan will best position all of our brands to thrive in the future.

The Billabong Board of Directors, including founder Gordon Merchant, have unanimously voted in support of the acquisition bid by Boardriders. Following a detailed review, the independent expert, Grant Samuel & Associates Pty Ltd., concluded that the scheme is fair and reasonable and in the best interests of shareholders. Proxy advisers CGI Glass Lewis and Institutional Shareholder Services also recommended that shareholders vote in favor of the proposed acquisition.

Dave Tanner, CEO of Boardriders said: “I passionately believe in the action sports industry and the Boardriders and Billabong teams, and that this transaction represents the best value for all stakeholders – shareholders, employees, vendors and customers. The combined entity will have greater ability to strengthen and advance the action sports industry in a unique and meaningful way. We are excited to welcome the Billabong team to the Boardriders community and look ahead to what the combined company can achieve.”

As previously announced, Boardriders signed a definitive agreement to acquire all of the shares of Billabong International Limited on January 4, 2018. The transaction is expected to close on approximately April 24, 2018, subject to final approvals.

Boardriders, Inc. notes the recent media coverage in Australia and seeks to clarify some of the statements. To avoid any doubt, Boardriders reserves its right to take whatever action it considers to be in its best interests with respect to the acquisition of Billabong and the terms on which any such acquisition may take place. Any statements in the media regarding what Boardriders may or may not do in the future relate only to the scenario where the transaction is voted down at the upcoming meeting of Billabong shareholders, and should be read subject to the aforementioned reservation of rights.

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About Boardriders Inc.:

Boardriders, Inc., is a leading action sports and lifestyle company that designs, produces and distributes branded apparel, footwear and accessories for Boardriders around the world. The Company's apparel and footwear brands represent a casual lifestyle for young-minded people who are inspired by a passion for outdoor action sports. The Company's Quiksilver, Roxy, and DC Shoes brands have authentic roots and heritage in surf, snow and skate. The Company's products are sold in more than 110 countries in a wide range of distribution, including surf shops, skate shops, snow shops, its proprietary Boardriders shops and other Company-owned retail stores, other specialty stores, select department stores and through various e-commerce channels. For additional information, please visit our brand websites at www.quiksilver.com, <http://www.roxy.com> and www.dcsneakers.com.

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