



**Billabong
International
Limited**

ABN 17 084 923 946



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ASX ANNOUNCEMENT

BILLABONG SHAREHOLDERS APPROVE SCHEME OF ARRANGEMENT – IMPROVED OFFER FROM BOARDRIDERS

GOLD COAST, 28 March 2018: Billabong International Limited [ASX:BBG] (**Billabong**, the **Company**, together with its subsidiaries, the **Group**) is pleased to announce that at the Scheme Meeting held today, Billabong shareholders approved by the requisite majorities the scheme of arrangement under which a subsidiary of Boardriders, Inc. (**Boardriders**) will acquire all of the shares of Billabong (other than those owned by its related entity, Oaktree Capital Management, L.P.) (the **Scheme**).

Billabong also advises that shortly prior to the Scheme Meeting, Billabong and Boardriders entered into a deed which amends the terms of the Scheme Implementation Deed (the **SID**) between the parties, the effect of which is to increase the Scheme Consideration (as defined in the SID) payable by Boardriders from \$1.00 to \$1.05 per share. A copy of that amending deed is attached to this announcement.

Accordingly, when Billabong returns to the Court to seek approval of the Scheme, Billabong will also seek approval from the Court to amend the terms of the Scheme to reflect the increased consideration from \$1.00 to \$1.05 per share.

Voting results

The results of the Scheme Meeting are attached. In summary, the resolution to approve the Scheme, as set out in the Notice of Meeting in Annexure D of the Scheme Booklet dated 14 February 2018 (**Scheme Resolution**), was passed by the requisite majorities of shareholders, with:

- 85.87% of eligible Billabong shareholders present and voting (either in person or by proxy) in favour of the Scheme Resolution; and
- 95.45% of votes cast in favour of the Scheme Resolution.

These results exceed the majorities for the purposes of the Corporations Act 2001 (Cth).

Implementation of the Scheme

The Scheme remains subject to Court approval in order to be implemented. Billabong has applied to the Court for approval of the Scheme at a hearing scheduled to be held at 10.15am on Friday, 6 April 2018 at the Federal Court of Australia – New South Wales Registry, Law Courts Building, Queens Square, 184 Phillip Street, Sydney. As stated in the Scheme Booklet, any Billabong shareholder who wishes to oppose approval of the Scheme at the Court hearing may do so by filing with the Court and serving on Billabong a notice of appearance in the prescribed form with any affidavit evidence the Billabong shareholder proposes to rely on.

The Board will make a further announcement after the Court has considered the matter. If the Court approves the Scheme, Billabong proposes to lodge the orders of the Court with the Australian Securities and Investments Commission on Monday, 9 April 2018 and the Scheme will become effective on that date. If this occurs,





Billabong shares will cease trading on the Australian Securities Exchange on Monday, 9 April 2018.

If Court approval is granted, Billabong shareholders will receive the Scheme Consideration for each Billabong share held at 7:00pm (Sydney time) on the Record Date of Monday, 16 April 2018. Shareholders will be paid their consideration on the Implementation Date, which is expected to be Tuesday, 24 April 2018, in cash either by electronic funds transfer into their nominated bank account or Australian dollar cheque.

Shareholder Information Line

Billabong shareholders who have questions regarding the Scheme should contact the Billabong Shareholder Information Line on 1300 117 907 (within Australia) or +61 3 9415 4435 (outside Australia), Monday to Friday between 8:30am to 5:30pm (Melbourne time).

For media enquiries contact:

Renee Bertuch
Cannings Corporate Communications
phone: +61 409 550 389
email: rbertuch@cannings.net.au

TRACEY WOOD
COMPANY SECRETARY



ANNEXURE A – POLL RESULTS

28 March 2018

The Chairman of the Scheme Meeting
 Billabong International Limited
 1 Billabong Place,
 Burleigh Heads QLD 4220

**Poll Report
 Scheme Meeting**

I, David Maffescioni, of Computershare Investor Services Pty Limited being the Returning Officer appointed by you in connection with voting by poll upon the resolution set out below at the Scheme Meeting of Shareholders of Billabong International Limited (other than Excluded Shareholders) held at Burleigh A & B Rooms, 1 Billabong Place, Burleigh Heads, Queensland on Wednesday, 28 March 2018 at 10.00 am (Queensland time) report as follows:

Resolution

That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Billabong International Limited and the holders of its fully paid ordinary shares (other than certain excluded shareholders), the terms of which are contained in and more particularly described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alterations or conditions as approved by the Federal Court of Australia) and, subject to approval of the Scheme by the Court, the Billabong Board is authorised to implement the Scheme with any such alterations or conditions.'

Resolution – votes cast

Number of votes cast by holders 'FOR' the resolution	120,405,697
Number of votes cast by holders 'AGAINST' the resolution	5,712,301
The total number of votes cast on the resolution	126,148,643
Votes 'FOR' the resolution as a percentage of the total number of votes cast on the resolution	95.45%
The number of 'ABSTAIN' votes on the resolution	161,661

Resolution - number of shareholders voting

Number of shareholders voting 'FOR' the resolution	1,045
Number of shareholders voting 'AGAINST' the resolution	172
Total number of shareholders voting on the resolution	1,217
Number of shareholders voting 'FOR' the resolution as a percentage of the total number of shareholders voting on the resolution	85.87%

The total number of shareholders who voted both "FOR" and "AGAINST" the resolution and not included in the above "shareholders voting FOR" and "shareholders voting AGAINST" figures	2
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The resolution was ~~was not~~ carried by a majority in number of Billabong Shareholders (other than Excluded Shareholders) present and voting and a majority representing in aggregate at least 75% of the total number of votes cast.



 David Maffescioni
 Returning Officer
 Computershare Investor Services Pty Limited

BILLABONG INTERNATIONAL LIMITED
2018 SCHEME MEETING
Wednesday, 28 March 2018
Voting Results

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth).

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
1 Scheme Resolution	Special	98,779,920 78.83%	5,712,301 4.56%	20,814,169 16.61%	161,661	120,405,697 95.45%	5,742,946 4.55%	161,685	Carried

* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.



ANNEXURE B – AMENDING DEED

Date	28 March 2018
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Deed between

- | | |
|----|--|
| 1. | Boardriders, Inc. of 5600 Argosy Avenue, Building 100, Huntington Beach, California 92649, United States of America (Boardriders). |
| 2. | Billabong International Limited (ACN 084 923 946) registered in Queensland of 1 Billabong Place, Burleigh Heads, Queensland 4220, Australia (Billabong). |

Recitals

- | | |
|---|---|
| A | On 5 January 2018, Boardriders and Billabong entered into the Scheme Implementation Deed to provide for the implementation of the Scheme. |
| B | Clause 18 of the Scheme Implementation Deed provides that the Scheme Implementation Deed can only be amended by another deed executed by all the parties. |
| C | The parties wish to amend the terms of the Scheme Implementation Deed in the manner set out in this deed. |

It is declared as follows.

1 Definitions and interpretation

1.1 Definitions

Words defined in the Scheme Implementation Deed and not in this deed have the same meaning in this deed as in the Scheme Implementation Deed unless the context requires otherwise.

1.2 Incorporation by reference

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme Implementation Deed form part of this deed.

2 Amendments to the Scheme Implementation Deed

The Scheme Implementation Deed is amended as follows:

- (a) Clause 4.2 is amended so that the definition of 'Scheme Consideration' is deleted and replaced with:

'The **Scheme Consideration**, in respect of a Scheme Shareholder, means \$1.05 per Scheme Share held by that Scheme Shareholder'; and
- (b) Clause 5.1(n) is amended so that the followings words are inserted after the term Scheme:

'(with such modifications to the Scheme Consideration as agreed between the parties)';

3 Amendments to not affect validity, rights and obligations

- (a) This deed is intended only to vary the Scheme Implementation Deed and not to terminate, discharge, rescind or replace it.
- (b) The amendments to the Scheme Implementation Deed do not affect the validity or enforceability of the Scheme Implementation Deed.
- (c) Nothing in this deed:

- (i) prejudices or adversely affects any right, power, authority, discretion or remedy which arose under or in connection with the Scheme Implementation Deed before the date of this deed; or
- (ii) discharges, releases or otherwise affects any liability or obligation which arose under or in connection with the Scheme Implementation Deed before the date of this deed.

4 Confirmation

On and from the date of this deed, each party is bound by the Scheme Implementation Deed as amended by this deed.

5 Acknowledgement

Each party acknowledges that this deed is issued in accordance with the Scheme Implementation Deed.

6 Deed Poll

Boardriders irrevocably undertakes to Billabong and the Scheme Shareholders that if the Scheme Consideration becomes payable under the Scheme, the Deed Poll (which was executed by Boardriders on 9 February 2018 in favour of the Scheme Shareholders) will continue to bind Boardriders to satisfy its obligations under the Deed Poll, including payment of the Scheme Consideration (as amended by clause 2 of this deed) to the Scheme Shareholders.

7 Warranties

Boardriders represents and warrants to Billabong that:

- (a) **(status)** it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;
- (b) **(power)** it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) **(corporate authorisations)** it has taken all necessary corporate action to authorise the entry into and performance of this deed and to carry out the transactions contemplated by this deed;
- (d) **(documents binding)** this deed is its valid and binding obligation enforceable in accordance with its terms;
- (e) **(transactions permitted)** the execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it; or
 - (ii) its constitution or other constituent documents; and
- (f) **(solvency)** it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

7.2 Further assurances

Without limiting the obligations of the parties under the Scheme Implementation Deed, each party must do anything necessary (including executing agreements and documents) to give full effect to this deed and the transactions contemplated by it, including:

- (a) if required, agreeing to any consequential amendments in relation to the Scheme and the Deed Poll;
- (b) making submissions to the Court to exercise its discretion under section 411(6) of the Corporations Act to make orders approving the Scheme (with such modifications to the Scheme Consideration as provided by this Deed); and
- (c) providing reasonable assistance to Billabong in its application to the Court for orders approving the Scheme (with such modifications to the Scheme Consideration as provided by this Deed).

7.3 Governing law and jurisdiction


This deed is governed by the laws of New South Wales. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this deed.

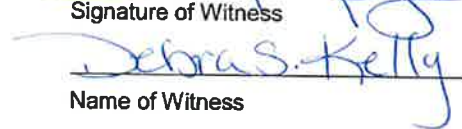
7.4 Counterparts and authority

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Executed and delivered as a deed

Signed Sealed and Delivered by Boardriders, Inc. in the presence of:



Signature of Witness



Name of Witness

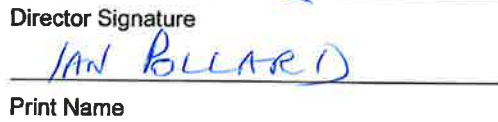


Signature of Authorised Signatory



Name of Authorised Signatory


Executed as a deed in accordance with section 127 of the Corporations Act 2001 by Billabong International Limited:



Director Signature


Print Name



Director/Secretary Signature


Print Name