

**Form 604**  
Corporations Act 2001  
Section 671B

**Notice of change of interests of substantial holder**

To Company Name/Scheme Billabong International Limited (BBG)

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 15/12/2015  
The previous notice was given to the company on 23/09/2015  
The previous notice was dated 23/09/2015

**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 Annexure 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 Annexure 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 Annexure 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
N/A	

**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 Paull	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	<i>Colette Paull - Director</i>	capacity	Authorised representative
sign here	<i>Colette Paull</i>	date	17/12/2015

**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 17 December 2015.

*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 20,463,283 ordinary fully paid shares held by Gordon Merchant No.2 Pty Ltd, 623,974 ordinary fully paid shares held by GSM Pty Ltd and 2,762,956 fully paid ordinary shares held by GSM Superannuation Pty Ltd in which Gordon Stanley Merchant has a relevant interest)	Ordinary fully paid shares	108,931,920	11.00%	23,850,213	12.04%
Gordon Merchant No.2 Pty Ltd  (Including 1,518,503 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 623,974 shares held by GSM Pty Ltd and 2,762,956 fully paid ordinary shares held by GSM Superannuation Pty Ltd)	Ordinary fully paid shares	116,524,429	11.77%	25,368,716	12.81%
GSM Pty Ltd (including 1,518,503 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 20,463,283 shares held by Gordon Merchant No.2 Pty Ltd and 2,762,956 fully paid ordinary shares held by GSM Superannuation Pty Ltd)	Ordinary fully paid shares	116,524,429	11.77%	25,368,716	12.81%

<p>GSM Superannuation Pty Ltd (including 1,518,503 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 20,463,283 fully paid ordinary shares held by Gordon Merchant No.2 Pty Ltd and 623,974 fully paid ordinary shares held by GSM Pty Ltd)</p>	<p>Ordinary fully paid shares</p>	<p>116,524,429</p>	<p>11.77%</p>	<p>25,368,716</p>	<p>12.81%</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------	--------------------	---------------	-------------------	---------------

**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 17 December 2015.

.....*Collette Powell*.....  
Signature

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (excluding brokerage and GST) (7)	Class and number of securities affected	Person's votes affected
22.09.2015	Gordon Merchant No.2 Pty Ltd	On market trade	\$67,570.61	fully paid ordinary shares	fully paid ordinary shares
27.11.2015	Gordon Merchant No.2 Pty Ltd	On market trade	\$4,085,246.80	fully paid ordinary shares	fully paid ordinary shares
11.12.2015	Gordon Merchant No.2 Pty Ltd	On market trade	\$359,197.00	fully paid ordinary shares	fully paid ordinary shares
14.12.2015	Gordon Merchant No.2 Pty Ltd	On market trade	\$425,550.40	fully paid ordinary shares	fully paid ordinary shares
15.12.2015	Gordon Merchant No.2 Pty Ltd	On market trade	\$421,435.30	fully paid ordinary shares	fully paid ordinary shares

**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 17 December 2015.

*Colette Paul*  
Signature

Holder of relevant interest	Registered holder of securities	Person entitled to be registered	Nature of relevant interest (G)	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)	20,463,283 fully paid ordinary shares	20,463,283
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)	623,974 fully paid ordinary shares	623,974
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)	2,762,956 fully paid ordinary shares	2,762,956
Colette Paul  (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 Paul has a relevant interest)  (Gordon Stanley Merchant has no	Colette Paul	Colette Paul	Registered holder	15,209 fully paid ordinary shares	15,209

relevant interest in these shares)	Billytoo Pty Ltd	Billytoo Pty Ltd	(Colette Paul has the power to vote the shares held by Billytoo Pty Ltd)	558,574 fully paid ordinary shares	558,574
	Colette Paul and others jointly as trustee	Colette Paul and others jointly as trustee	(Colette Paul holds as trustee jointly with others and has no beneficial interest in these shares)	944,720 fully paid ordinary shares	944,720