

**COASTAL  
INVESTMENT MANAGEMENT**

**DATE:** February 12, 2016  
**PAGES:** 5 (including cover sheet)  
**FROM:** Coastal Capital International, Ltd.  
**FAX:** +1 646 349 4428

**TO:** Company Announcement Office  
Australian Securities Exchange  
**FAX:** +61 2 9347 0005

## Form 603

Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Billabong International Limited  
ACN/ARSN 084 923 946

## 1. Details of substantial holder (1)

Name Coastal Capital International, Limited on behalf of itself and Coastal Investment Partners, L.P., Coastal Investment Management, L.P., Coastal Investment Management, LLC  
ACN/ARSN (if applicable) Not applicable

The holder became a substantial holder on 11 / 02 / 16

## 2. Details of 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 on the date the substantial holder became a substantial holder are as follows:

| Class of Securities (4) | Number of Securities | Person's votes | Voting power (5) |
|-------------------------|----------------------|----------------|------------------|
| Ordinary Common Shares  | 9,903,700            | 9,903,700      | 5.00%            |

## 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest            | Nature of relevant interest (7)  | Class and number of securities   |
|--|--|----------------------------------|
| Coastal Capital International, Limited | As beneficial owner of the interest, Coastal Capital International, Limited has a relevant interest in the holdings detailed below by virtue of section 608(1) of the Corporations Act | 9,903,700 Ordinary Common Shares |

## 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest            | Registered holder of securities           | Person entitled to be registered as holder (8) | Class and number of securities   |
|--|---|--|----------------------------------|
| Coastal Capital International, Limited | HSBC Custody Nominees (Australia) Limited | Coastal Capital International, Limited         | 9,903,700 Ordinary Common Shares |

## 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) |          | Class and number of securities |
|-----------------------------|---------------------|-------------------|----------|--------------------------------|
|                             |                     | Cash              | Non-Cash |                                |
| See Annexure "A"            |                     |                   |          |                                |

**6. Associates**

The persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable)      | Nature of association   |
|--|---|
| Coastal Capital International, Limited | Related bodies Corporate & are therefore associates under Sections 9 & 11 of the Corporations Act |
| Coastal Investment Partners, L.P.      | Related bodies Corporate & are therefore associates under Sections 9 & 11 of the Corporations Act |
| Coastal Investment Management, L.P.    | Related bodies Corporate & are therefore associates under Sections 9 & 11 of the Corporations Act |
| Coastal Investment Management, LLC     | Related bodies Corporate & are therefore associates under Sections 9 & 11 of the Corporations Act |

**6. Addresses**

The addresses of persons named in this form are as follows:

| Name                                      | Address   |
|---|---|
| Coastal Capital International, Limited    | c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands |
| Coastal Investment Partners, L.P.         | 130 E. 59th Street, 11th Floor, New York, NY 10022  |
| Coastal Investment Management, L.P.       | 130 E. 59th Street, 11th Floor, New York, NY 10022  |
| Coastal Investment Management, LLC        | 130 E. 59th Street, 11th Floor, New York, NY 10022  |
| HSBC Custody Nominees (Australia) Limited | Level 13, 580 George Street, Sydney, NSW 2001   |

**Signature**

print name Todd Plutsky capacity Director

sign here 

date 12 / 02 / 16

**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 of 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) Details of 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 of 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.

## "ANNEXURE A"

This Annexure "A" of one page and referred to in the Form 603 signed and dated 12 February 2016.



Todd Plutsky  
Director

### 5. Consideration

The Consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder whose relevant interest Changed               | Date of Change                                     | Nature of Change                           | Consideration (9) |          | Class and number of securities |             | Person's Votes Affected |
|--|--|--|-------------------|----------|--------------------------------|-------------|-------------------------|
|  |  |  | cash              | non-cash |                                |             |                         |
| Coastal Capital International, Ltd. & its Affiliates | Acquired various Dates More than Four Months Prior | Acquired on Market & in Entitlement Offers | \$18,849,694.05   |          | Ordinary Common Shares         | 49,079,963  | 49,079,963              |
| Coastal Capital International, Ltd. & its Affiliates | 12/01/15   | Share Reduction by 5 for 1 Reverse Split   | N/A               |          | Ordinary Common Shares         | -39,263,971 | -39,263,971             |
| Coastal Capital International, Ltd. & its Affiliates | 04/02/16   | Acquired on Market                         | \$31,491.65       |          | Ordinary Common Shares         | 18,342      | 18,342                  |
| Coastal Capital International, Ltd. & its Affiliates | 09/02/16   | Acquired on Market                         | \$21,975.71       |          | Ordinary Common Shares         | 14,328      | 14,328                  |
| Coastal Capital International, Ltd. & its Affiliates | 10/02/16   | Acquired on Market                         | \$18,708.46       |          | Ordinary Common Shares         | 12,871      | 12,871                  |
| Coastal Capital International, Ltd. & its Affiliates | 11/02/16   | Acquired on Market                         | \$62,591.78       |          | Ordinary Common Shares         | 42,167      | 42,167                  |

**GUIDE**

**This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 604.**

**Signature**

This form must be signed by either a director or a secretary of the substantial holder.

**Lodging Period**

Nil

**Lodging Fee**

Nil

**Other forms to be completed**

Nil

**Additional information**

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
- (i) within 2 business days after they become aware of the information; or
  - (ii) by 9:30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
    - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
    - (B) the person becomes aware of the information during the bid period.

**Annexures**

- To make any annexure conform to the regulations, you must
- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
  - 2 show the corporation name and ACN or ARBN
  - 3 number the pages consecutively
  - 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
  - 5 identify the annexure with the mark such as A, B, C, etc
  - 6 endorse the annexure with the words  
*This is annexure (mark) of (number) pages referred to in form (form number and title)*
  - 7 sign and date the annexure
- The annexure must be signed by the same person(s) who signed the form.

**Information in this guide is intended as a guide only. Please consult your accountant or solicitor for further advice**