



**Billabong
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ASX ANNOUNCEMENT

SALE OF SECTOR 9

GOLD COAST, 29 June 2016: Billabong International Limited (“Billabong”, “Company” or, together with its subsidiaries, the “Group”) have entered into an agreement to sell its skate hardware brand Sector 9 for approximately US \$12 million to an affiliate of Bravo Sports, a portfolio company of Transom Capital Group.

“Our priority as a Company has been lifting the performance of our three biggest global brands in Billabong, RVCA and Element, while simplifying the business wherever possible. This transaction is part of that simplification and is consistent with our stated strategy,” said Billabong CEO Neil Fiske.

“Sector 9 is a unique brand in the specialty segment of longboard skate hardware,” said Mr. Fiske. “We are confident the brand will continue to meet the needs of its customers under its new owners.”

California-based Bravo Sports has a number of skate-focused brands within its existing portfolio including Pro Tec, Kryptonics, Ten-Eighty and Maple.

The Group expects the sale of Sector 9 to have minimal impact on overall group EBITDA in FY17.

The San Diego-based brand was founded in 1993 and pioneered the longboard design in skate.

Billabong's financial advisor in the transaction was Threadstone Advisors and its external legal advisor was Latham & Watkins LLP.

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TRACEY WOOD
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