



Boardriders, Inc. Announces Acquisition of Billabong International Ltd. Creates the World's Leading Action Sports Company

Huntington Beach, California – January 4, 2018 – Boardriders Inc., a global action sports and lifestyle company that owns and operates the Quiksilver, Roxy, and DC Shoes brands, announced today that it has signed a definitive agreement to acquire all of the shares of Billabong International Ltd. (ASX:BBG). The combination of Boardriders and Billabong will create the world's leading action sports company with sales to over 7,000 wholesale customers in more than 110 countries, owned ecommerce capabilities in 35 countries, and over 630 retail stores in 28 countries. The combined company will include some of the most coveted brands in the industry as Billabong, RVCA, Element, VonZipper, and Xcel are added to the Boardriders family of brands.

The combined business will be highly diversified and will serve the global community of action sports enthusiasts with a full suite of innovative product lines and a range of community-building activities. Importantly, the strength created by the combination will also allow for deeper and more mutually beneficial partnerships with customers and suppliers, and enable additional investment in the brands and in the action sports industry overall.

Under the ownership of funds managed by Oaktree Capital Management, L.P. (“Oaktree”), Boardriders has dramatically improved its operational and financial performance since its turnaround began in February, 2016. The company rationalized its distribution, right-sized its cost structure, rewired its product development platform, and invested in a range of growth-enhancing brand, marketing and e-commerce initiatives. The successful turnaround of the company and reconfiguration of the Boardriders platform has created the opportunity to bring the Billabong brands onto the same back-office operating platform to accelerate their growth as well.

Upon closing of the transaction, Dave Tanner, currently Managing Director at Oaktree and Chief Turnaround Officer for Boardriders, will become Chief Executive Officer of Boardriders. Pierre Agnes, currently Chief Executive Officer of Boardriders, will become President of Boardriders, remain a Board member, and lead a substantial portion of the integration of the two companies.

Mr. Tanner said: “The combination of these two leading action sports companies, which include a broad range of iconic brands with deep heritage in surf, snow and skate, is very exciting for all of us who share a passion for outdoor action sports. We are committed to preserving the autonomy, creativity, and unique cultures of all the brands while we leverage our best-in-class operating platform to accelerate the growth of the brands globally. We are excited to become one family with the Billabong team, and look forward to working together arm-in-arm to achieve the promise that this combination offers.”

Mr. Agnes added: “Creating one integrated global platform will enable the combined company to enhance its investments in product innovation and quality, digital marketing, consumer engagement, and e-commerce, which ultimately will benefit our consumers and strengthen the company and industry. With a larger and stronger platform, we see many exciting opportunities for our employees, customers, suppliers, and athletes. I am excited and honored to pass the leadership baton to Dave and to continue to partner with him to drive the next phase in the evolution of Boardriders.”

Additionally, now that the agreement has been signed, it is appropriate for Boardriders to discuss a potential future role with Neil Fiske, current CEO of the Billabong Group. “We have high regard for Neil and what he has accomplished over the years. I personally have valued his keen strategic thinking and leadership. I very much hope that he will join us for the next leg of this journey and continue his contribution to these great brands,” said Matt Wilson, Chairman of Boardriders and Managing Director and Co-Portfolio Manager at Oaktree.



The acquisition is subject to a number of customary closing conditions, including shareholder, court and regulatory approvals. The transaction is expected to close in the first half of 2018.

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, www.roxy.com and www.dcsHOES.com.

About Oaktree:

Oaktree is a leader among global investment managers specializing in alternative investments, with \$100 billion in assets under management as of September 30, 2017. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 900 employees and offices in 18 cities worldwide. For additional information, please visit Oaktree's website at <http://www.oaktreecapital.com/>.

Forward-looking statements:

This press release contains forward-looking statements including, but not limited to, management's expectations regarding certain business operations and vendor relationships. These forward-looking statements are subject to risks and uncertainties, and actual results may differ materially. The Company undertakes no obligation to update these statements, which are made only as of the date of this press release.

Media Contact:

Sitrick and Company
Stuart Pfeifer, +1.310.788.2850
spfeifer@sitrick.com