
BILLABONG.
BILLABONG INTERNATIONAL LIMITED ABN 17 084 923 946
HALF YEAR results
PRESENTATION
2011
2012

Presentation by Derek O'Neill

CEO Billabong International Limited

Billabong International Limited today announces its financial results for the six months ended 31 December 2011. Reported global sales revenue of $847.2 million is up 6.3% in constant currency terms (up 1.5% in reported Australian dollar (AUD) terms) compared to the prior corresponding period (pcp). Excluding the impact of acquisitions, sales were down 2% in constant currency terms.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of $74.1 million is down 18.3% in constant currency terms (down 21.7% in reported AUD terms compared to the pcp). The lower EBITDA was driven, in particular, by factors including:

- lower than anticipated sales in the important trading periods of November and early December in Europe and Australia leading to lower gross profit on a higher fixed cost base;
- gross profit pressure from higher product input costs, including cotton, and the inability to recover the cost increases in a highly price-sensitive retail environment;
- a highly promotional environment at both wholesale and retail in Australia and Europe and, to a lesser extent, the US; and
- aggressive clearance of inventory in the midst of an already highly promotional retail environment.

The EBITDA result also includes one-off M&A and restructuring costs totalling $5.1 million.

Net cash receipts from customers of $108.7 million were 8.1% higher compared to $100.6 million in the pcp, representing 146.8% of EBITDA compared to 106.3% for the pcp and reflecting strong trading cash flows for the period relative to EBITDA.

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(cont.)

Net profit after tax (NPAT) of $16.1 million is down 70.8% in constant currency terms (down 71.8% in reported AUD terms) compared to the pcp. This includes a $15 million impairment charge in relation to the Group's South African business. Excluding the impairment charge, NPAT would have been $31.1 million.

The continued appreciation of the Australian dollar (AUD) against the Group's operating currencies, in particular the Euro and USD, adversely affected reported consolidated results, specifically by $38 million in respect of sales revenue, $4 million in respect of EBITDA and $2 million in respect of NPAT.

Key highlights through the half year include:

- sales higher than the prior year in a challenging global trading environment;
- very strong sales growth in the Group's online businesses in Australia and the US, with new investment made to expand the Group's European online presence;
- good retail sales growth in company owned stores in the US;
- low single-digit sales growth in the US wholesale account base, excluding former number one account Pacific Sunwear;
- strong global sales growth within the Group's emerging brand portfolio;
- strong improvement in cash flow from operating activities; and
- ongoing consolidation and integration of retail infrastructure including warehouses and IT platforms in Australia and warehouses and back office support functions in North America.

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(cont.)

Prior to the close of the half year, the Group announced a strategic capital structure review of its business focused on initiatives to strengthen the Group's balance sheet. This review has resulted in initiatives that include:

- the partial sale of Nixon Inc. ("Nixon");
- a review of the Group's retail network with a view to closing loss-making stores and stores performing below expectations;
- a cost-cutting program; and
- a reduced dividend and fully underwritten dividend reinvestment plan.

The outcomes of the review will significantly strengthen the company's financial position.

The Group's expected results for the 2011-12 full financial year will be materially affected by the above initiatives and it is not possible to calculate this impact at this time. In the absence of the above initiatives, the Group would have expected to deliver EBITDA excluding any one-off charges slightly above the current analyst consensus of approximately $157 million for the 2011-12 financial year.

Consolidated results overview
(compared to the pcp)

- **Global sales revenue of $847.2 million:**
  - ⇨ up 6.3% in constant currency terms
  - ⇨ up 1.5% in reported AUD terms
  - ⇨ down 1.8% adjusting for acquisitions
- **Gross margins 53.4%:**
  - ⇨ from 54.4% in constant currency terms
- **EBITDA of $74.1 million:**
  - ⇨ down 18.3% in constant currency terms
  - ⇨ down 21.7% in reported AUD terms
  - ⇨ EBITDA includes $5.1 million of one-off M&A and restructuring costs
- **EBITDA margins 8.7%:**
  - ⇨ down from 11.3%
  - ⇨ excluding one-off M&A and restructuring costs EBITDA margins would have been 9.3%

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Consolidated results overview

(compared to the pcp)

(cont.)

- **NPAT of $16.1 million (including $15.0 million impairment charge. NPAT $31.1 million excluding impairment charge):**
  - ⇨ down 70.8% in constant currency terms
  - ⇨ down 71.8% in reported AUD terms
  - ⇨ effective tax rate of 29.9% (8.2% in pcp)
  - ⇨ includes a $15 million impairment charge for South African business

- **Earnings per share of 6.4 cents (12.3 cents per share excluding $15 million impairment charge):**
  - ⇨ down 71.9%

- **Strong net cash flow from operating activities:**
  - ⇨ up 36.5% to $87.0 million
  - ⇨ net cash receipts/payments to suppliers of $108.7 million, representing 146.8% of EBITDA compared to 106.3% for the pcp and reflecting strong trading cash flow for the period relative to EBITDA

- **Interim ordinary dividend of 3.0 cents per share, unfranked:**
  - ⇨ fully underwritten dividend reinvestment plan
  - ⇨ approximate 25% dividend payout ratio excluding impairment
  - ⇨ ex-dividend 13 March 2012
  - ⇨ record date 19 March 2012
  - ⇨ payable 19 April 2012

Consolidated results observations

(compared to the pcp)

- **Good sales growth in emerging brands:**
  - ⇨ strong double-digit sales growth for RVCA, Sector 9, Nixon and Kustom
  - ⇨ VZ and Tigerlily up high single digits
  - ⇨ Xcel up low single digits
  - ⇨ Element and DaKine in line with pcp
  - ⇨ Billabong down mid single digits, principally due to lower sales in southern European regions, late start to winter in Northern Hemisphere and weaker retail conditions in Australia

- **Strong end to half year after earlier sales slowdown:**
  - ⇨ later start to Christmas shopping in Australia, with comp store sales up approx. 20% in final week of December
  - ⇨ sales lifted strongly when snow eventually arrived in Europe and North America
  - ⇨ strong finish to December in the USA

- **Lower EBITDA:**
  - ⇨ lower than expected sales leading to lower gross profit on a higher fixed cost base
  - ⇨ highly promotional environment at both wholesale and retail in Australia and Europe and, to a lesser extent, in the US
  - ⇨ gross profit pressure from higher product input costs, including cotton

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Consolidated results observations

(compared to the pcp)

(cont.)

- **Higher effective tax rate of 29.9%:**
  - ⇨ up from 8.2% in the pcp
  - ⇨ underlying effective tax rate of 18.1% compared to 24.0% in the pcp adjusting for one-off charges/benefits

- **Stronger cash flow:**
  - ⇨ net cash flow from operating activities up 36.5% to $87.0 million
  - ⇨ net cash receipts/payments to suppliers of $108.7 million, representing 146.8% of EBITDA compared to 106.3% for the pcp and reflecting strong trading cash flow for the period relative to EBITDA

- **Retail integration continues:**
  - ⇨ family brand mix continues to build
  - ⇨ head office costs reduced due to retail business consolidation in Australia
  - ⇨ retail warehouse and IT platforms consolidated in Australia
  - ⇨ retail warehouse rationalisation in North America
  - ⇨ production calendars revised due to greater order certainty through company owned retail
  - ⇨ designers benefitting from key insights into retail trends

Consolidated results observations

(compared to the pcp)

(cont.)

- **Inventory clearance improved late in the half:**
  - ⇨ inventory levels in constant currency terms up 8.6% from 30 June 2011, partially driven by increases in cost of goods
  - ⇨ the Group remains on target for a reduction in inventory to more normalised levels across the full financial year

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Regional financial performances

(in constant currency terms compared to the pcp)

- **Americas:**
  - ⇨ sales revenue of $400.8 million, up 5.1%
  - ⇨ EBITDA of $30.1m, up 12.1%
  - ⇨ EBITDA margins of 7.5% (from 7.1%)
- **Europe:**
  - ⇨ sales revenue of $150.5 million, in line with pcp
  - ⇨ EBITDA of $15.6 million, down 32.4%
  - ⇨ EBITDA margins of 10.4% (from 15.4%)
- **Australasia:**
  - ⇨ sales revenue of $295.9 million, up 11.7%
  - ⇨ EBITDA of $27.0 million, down 31.6%
  - ⇨ EBITDA margins of 9.1%, from 14.9%

Regional financial performances

(compared to the pcp)

AMERICAS

- **Sales up 5.1% in constant currency terms:**
  - ⇨ sales down 1.9% in reported AUD terms
  - ⇨ strong growth in US online business
  - ⇨ sales lower in Brazil due to account base rationalisation
- **Good sales growth in the US:**
  - ⇨ sales up 7.6% in North America in constant currency terms
  - ⇨ US direct to consumer comp sales for month of December up 3.5% after strong final two weeks in stores and online
  - ⇨ Group brands nominated for a record 16 Surf Industry Manufacturers Association Awards, winning men's (RVCA) and women's (Billabong) apparel brands of the year
- **EBITDA up 12.1% in constant currency terms:**
  - ⇨ up 3.6% in reported AUD terms
  - ⇨ North America EBITDA higher but adversely impacted by promotional environment
  - ⇨ Brazil EBITDA down due to costs related to account base rationalisation

Regional financial performances

(compared to the pcp)

AMERICAS

(cont.)

- **EBITDA margins of 7.5% (from 7.1%):**
  - ⇨ margins negatively impacted by highly promotional environment and inventory clearing in final quarter in US and Canada
  - ⇨ North American company owned retail EBITDA margins 11.7% (from 8.9%) in constant currency terms
  - ⇨ West 49 retail EBITDA margins of 12.3% (from 8.6%)
  - ⇨ US retail EBITDA margins of 10.9% (from 9.4%)

- **Operational initiatives:**
  - ⇨ West 49 distribution centre consolidation
  - ⇨ rationalisation of distribution channel in Brazil
  - ⇨ expansion of online initiatives, including the establishment of further brand-specific sites

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Regional financial performances

(compared to the pcp)

EUROPE

- **Sales flat in constant currency terms:**
  - ⇨ good sales growth in Central Europe and UK
  - ⇨ sales lower in Germany due to late arrival of winter weather
  - ⇨ sales grew strongly in key markets when snowfalls arrived in mid December
  - ⇨ sales down double digits in Portugal and Greece
  - ⇨ some deliveries pushed into January/February (approximately €7 million sales impact)

- **Strong recovery in company owned retail after five-week sales slide due to unseasonably warm winter weather:**
  - ⇨ sales strong through to early November
  - ⇨ sales deteriorated in mid November through to mid-December due to very warm start to winter and uncertain macroeconomic environment due to European sovereign debt concerns
  - ⇨ sales recovered strongly in the final weeks of December to finish the month flat (first week of December sales down 21% and last week up 19%)
  - ⇨ improved sales followed arrival of snow in Europe
  - ⇨ general consumer caution remains across Europe due to macroeconomic concerns

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Regional financial performances

(compared to the pcp)

EUROPE

(cont.)

- **EBITDA down 32.4% in constant currency terms:**
  - ⇨ down 35.0% in reported AUD terms
  - ⇨ lower than expected sales, particularly winter repeats, and pushback of deliveries
  - ⇨ early start to promotional season brought on by very late start to winter
  - ⇨ higher product sourcing costs, particularly cotton
  - ⇨ lower product purchase hedge rates for winter

- **EBITDA margins of 10.4% (from 15.3%):**
  - ⇨ negatively impacted by lower than anticipated sales
  - ⇨ retail EBITDA margins of 12.9% (from 14.6%) in constant currency terms reflecting lower gross margin from product cost increases and softer sales and a promotional trading environment
  - ⇨ Inventory clearance initiatives impacting gross profit

- **Operational initiatives:**
  - ⇨ initial investment into establishment of SurfStitch Europe, with plans to go live from mid 2012

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Regional financial performances

(compared to the pcp)

AUSTRALASIA

- **Sales up 11.7% in constant currency terms:**
  - ⇨ sales up 9.9% in reported AUD terms
  - ⇨ sales in Australia up 18.5%
  - ⇨ constant currency sales in Asia, ex-Japan, up in excess of 30%
  - ⇨ constant currency sales down mid-single digits in New Zealand and Japan and down 10% in South Africa

- **EBITDA down 31.6% in constant currency terms:**
  - ⇨ down 33.1% in reported AUD terms
  - ⇨ lower than anticipated sales through company owned retail due to weak trading environment and poor weather, principally in Australia
  - ⇨ weaker sales in New Zealand, Japan and South Africa
  - ⇨ highly promotional environment

- **EBITDA margins of 9.1% (from 15.0%):**
  - ⇨ negatively impacted by lower than anticipated sales in Australia and smaller regions
  - ⇨ retail EBITDA margins of 12.6% (from 17.9%) in constant currency terms
  - ⇨ inventory clearance initiatives impacting gross profit

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Regional financial performances

(compared to the pcp)

AUSTRALASIA

(cont.)

- **Good sales recovery in Australia in final weeks of December:**
  - ⇨ sales in Australia impacted by cold start to summer
  - ⇨ direct-to-consumer sales in Australia in the month of December improved from week three and lifted 20.9% in final week of the month
  - ⇨ improved trend followed arrival of warmer weather and start of promotional season

- **Operational initiatives:**
  - ⇨ ongoing investment into online operations
  - ⇨ family brand share continues to lift in acquired retail in Australia
  - ⇨ overhead reductions in South Africa in response to poor trading

Direct to consumer

- **Company owned stores:**
  - ⇨ total 677 (from 639 at 30 June 2011)
  - ⇨ 250 in Americas
  - ⇨ 125 in Europe
  - ⇨ 302 in Australasia
  - ⇨ 81 of the Group's stores are low capital intensive (either shop-in-shop or pop-up shop) and a further 83 are outlets to clear past season inventory
- **Retail EBITDA margins of 12.5% in constant currency terms:**
  - ⇨ down from 13.6% in the pcp
  - ⇨ impacted by subdued consumer environment in Australia and Europe
  - ⇨ first-time inclusion of full six months of sales from major acquired retail assets in Australia and Canada
- **Retail EBITDA margins of 14.6% in constant currency terms for stores open 2 years or more:**
  - ⇨ down from 16.5% in the pcp
  - ⇨ Americas 12.5% (from 11.7% in the pcp)
  - ⇨ Europe 14.7% (from 16.0% in the pcp)
  - ⇨ Australasia 16.4% (from 20.3% in the pcp)

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Direct to consumer

(cont.)

- **Direct to consumer business contributed 48.8% of Group sales revenue:**
  - ⇨ up from 40.9% in the pcp
  - ⇨ bricks and mortar 44% of sales
  - ⇨ online more than 4% despite higher revenue base from bricks and mortar retail acquisitions
  - ⇨ direct-to-consumer sales account for 46% of sales in North America (29% in US), 25% in Europe and 69% in Australia

- **Retail comps improved through important Christmas holiday trading period:**
  - ⇨ poor start but late rally in Christmas trading
  - ⇨ strong final 10 days of December in all regions

- **In-store product mix:**
  - ⇨ West 49 family brand share approximately 37% (from approximately 15% at time of acquisition and 32% at 30 June 2011)
  - ⇨ family brand share 38% in acquired SDS banner
  - ⇨ family brand share close to 50% in acquired Rush banner

- **Online growing strongly:**
  - ⇨ global online sales up 50%
  - ⇨ SurfStitch up more than 80%
  - ⇨ Swell up more than 30%

Presentation by Craig White
Billabong's Chief Financial Officer
TABLE 1
Consolidated results

	2011 $m	2010 $m	Change %
Results as Reported (AUD)			
▪ Sales Revenue[1]	847.2	834.9	1.5
▪ EBITDA	74.1	94.6	(21.7)
▪ EBITDA Margin	8.7%	11.3%	
▪ NPAT	16.1	57.2	(71.8)
▪ Earnings per Share	6.4c	22.8c	
▪ Return on Capital Employed *	6.9%	12.6%	
Results in Constant Currency (AUD)			
▪ Sales Revenue** [1]	847.2	796.6	6.3
▪ EBITDA**	74.1	90.6	(18.3)
▪ NPAT**	16.1	55.2	(70.8)

* Return on Capital Employed (ROCE) includes cash
** 2010 results have been adjusted assuming local currencies were translated at the same rates as for 2011
[1] Excluding third party royalties

TABLE 1
Consolidated results
(cont.)

- **Consolidated NPAT results:**
  - ⇨ Net profit after tax (NPAT) for the half-year ended 31 December 2011 was $16.1 million, a decrease of 70.8% in constant currency terms (a decrease of 71.8% in reported terms) compared to the prior corresponding period (pcp). Excluding the impact of the impairment charge expense of $15.0 million, the NPAT for the half-year ended 31 December 2011 was $31.1 million, a decrease of 43.7% in constant currency terms (a decrease of 45.6% in reported terms) compared to the pcp
  - ⇨ Reported NPAT was adversely impacted in particular by the unfavourable effect of the strong AUD against the USD and the Euro relative to the pcp

- **The components of this result include:**
  - ⇨ Group sales revenue of $847.2 million, excluding third party royalties, represents a 6.3% increase on the pcp in constant currency terms (up 1.5% in reported terms)
  - ⇨ Consolidated gross margins were 53.4% (54.4% in the pcp in constant currency terms)
  - ⇨ EBITDA of $74.1 million represents a decrease of 18.3% in constant currency terms (a decrease of 21.7% in reported terms) compared to the pcp. The consolidated EBITDA margin of 8.7% decreased by 2.6% points compared to that of the pcp of 11.3%. The lower EBITDA was driven, in particular, by factors including:
    - lower than anticipated sales in the important trading periods of November and early December in Europe and Australia leading to lower gross profit on a higher fixed cost base;

TABLE 1
Consolidated results
(cont.)

- gross profit pressure from higher product input costs, including cotton, and the inability to recover the cost increases in a highly price-sensitive retail environment;
- a highly promotional environment at both wholesale and retail in Australia and Europe and, to a lesser extent, the US; and
- aggressive clearance of inventory in the midst of an already highly promotional retail environment.

The EBITDA result also includes one-off M&A and restructuring costs totalling $5.1 million.

⇨ The income tax expense for the half-year ended 31 December 2011 was $6.8 million (2010: $5.1 million), an effective rate of tax of 29.9% (2010: 8.2%). The higher effective tax rate is primarily driven by the current year impairment charge (which is non-deductible) and a number of one-off benefits being included in the prior year. Adjusting for these one-off amounts, the effective tax rate for the Group is 18.1% (2010: 24.0%).

TABLE 1
Consolidated results
(cont.)

- Earnings per share of 6.4 cents for the half-year ended 31 December 2011 was down 71.9% compared to the pcp, in line with the decline in reported NPAT
- Excluding the $15.0 million impairment charge, earnings per share would have been 12.3 cents
- Return on capital employed at 31 December 2011 was 6.9% (12.6% in the pcp), primarily reflecting the impact of generally weak trading conditions and recent acquisitions by the Group, the benefits of which are expected to be realised in future financial years

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TABLE 2

Depreciation, Amortisation, Impairment, Net Interest Expense and Income Tax Expense

	2011 $m	2010 $m	Change %
Results as Reported (AUD)			
▪ Depreciation	20.7	19.6	5.7
▪ Amortisation	1.3	0.7	85.8
▪ Impairment	15.0	0.0	100.0
▪ Net Interest Expense	14.2	12.0	18.2
▪ Income Tax Expense	6.8	5.1	33.8

TABLE 2

Depreciation, Amortisation, Impairment, Net Interest Expense and Income Tax Expense

(cont.)

- Depreciation and amortisation expense increased 14.2% in constant currency terms (8.5% in reported terms) compared to the pcp primarily due to the inclusion of a full half-year of trading for the prior year acquisitions of RVCA, West 49, SDS/Jetty Surf, Rush Surf and retail store expansion
- As a result of the impairment review of intangible assets, goodwill in South Africa has been written down to its recoverable amount, being its fair value less costs to sell. For the half-year ended 31 December 2011, this resulted in an impairment charge amounting to $15.0 million
- Net interest expense increased 26.1% in constant currency terms (18.2% in reported terms) compared to the pcp, driven primarily by the inclusion of a full half-year of borrowings for the abovementioned prior year acquisitions and increased borrowings to fund the payment of the majority part of the deferred consideration payment for Nixon and working capital requirements
- The income tax expense for the half-year ended 31 December 2011 was $6.8 million (2010: $5.1 million), an effective rate of tax of 29.9% (2010: 8.2%). The higher effective tax rate is primarily driven by the current year impairment charge (which is non-deductible) and a number of one-off benefits being included in the prior year. Adjusting for these one-off amounts, the effective tax rate for the Group is 18.1% (2010: 24.0%). The adjusted lower effective tax rate for the half-year ended 31 December 2011 reflects in part the impact of net exempt income from branch operations, in particular GSM (Europe) Pty Ltd, consistent with the Group's changing segment mix

TABLE 3
Balance Sheet

	2011 $m	2010 $m	Change %
Working Capital in Constant Currency (AUD)			
▪ Receivables	305.2	306.9	(0.6)
▪ Inventory	377.0	317.0	18.9
▪ Creditors	(253.9)	(246.1)	3.2
	428.3	377.8	13.4
Gearing Levels as Reported (AUD)			
▪ Borrowings (net)	525.6	382.7	
▪ Gearing Ratio (Net Debt/Net Debt + Equity)	31.2%	24.6%	
▪ Interest Cover	4.2 times	8.8 times	

TABLE 3
Balance Sheet
(cont.)

- Working capital at $428.3 million represents 25.4% as a percentage of the prior twelve months' sales stated at half-year end exchange rates, being 0.6% lower compared to the pcp of 26.0%

- Including in the pcp the pre-acquisition sales of RVCA and the significant retail acquisitions of West 49, SDS/Jetty Surf and Rush Surf and excluding any wholesale sales made to these accounts prior to acquisition, working capital represents 25.4% as a percentage of the prior twelve months' sales stated at year end exchange rates, being 2.5% higher compared to the pcp of 22.9%, reflecting an increase in inventory primarily as a result of weaker than expected trading but also reflecting the impact of cost increases

- The doubtful debts provision at $21.7 million is considered to be conservative and should be sufficient to meet the Group's requirements

- Net debt increased 37.3% to $525.6 million over the pcp which principally reflects the payment of the majority part of the deferred consideration for Nixon, investment in owned retail globally and working capital requirements

- The Group has a gearing ratio (net debt to net debt plus equity) of 31.2% as at 31 December 2011 (24.6% in the pcp)

- Interest cover of 4.2 times (8.8 times in the pcp)

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TABLE 4
Cash Flow Statement

	2011 $m	2010 $m	Change %
Receipts from Customers (inclusive of GST)	961.4	927.8	
Payments to Suppliers and Employees (inclusive of GST)	(852.7)	(827.2)	
	108.7	100.6	8.1
Interest Received	0.9	1.0	
Other Revenue	2.0	2.2	
Finance Costs	(15.6)	(21.0)	
Income Taxes Paid	(9.0)	(19.0)	
Net Cash Inflow from Operating Activities	87.0	63.8	36.5
Payment for Purchase of Subsidiaries, net of Cash Acquired	(58.5)	(209.2)	
Payments for Plant and Equipment	(26.8)	(23.9)	
Payments for Intangibles	(5.2)	(3.9)	
Proceeds from Sale of Plant and Equipment	0.5	0.3	
Net Cash Outflow from Investing Activities	(90.0)	(236.7)	
Payments for Treasury Shares held in Employee Share Plan Trusts	(2.7)	(4.4)	
Net Proceeds/(Repayments) from/(of) Borrowings	83.2	242.7	
Dividends Paid	(33.0)	(41.6)	
Net Cash Inflow from Financing Activities	47.5	196.7	
Net Movement in Cash Held	44.5	23.8	

TABLE 4
Cash Flow Statement
(cont.)

- Cash inflow from operating activities increased to $87.0 million, being 36.5% higher compared to $63.8 million in the pcp, principally reflecting higher net cash receipts from customers, lower finance costs (the pcp included costs associated with the rollover and extension of the Syndicated Debt Facility) and lower tax payments.

- Net cash receipts from customers of $108.7 million were 8.1% higher compared to $100.6 million in the pcp representing 146.8% of EBITDA compared to 106.3% for the pcp reflecting strong trading cash flows for the period relative to EBITDA

- Cash outflow from investing activities of $90.0 million was in accordance with expectations and includes the payment of the majority part of the deferred consideration payment for Nixon and investment in owned retail globally

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Americas segment

	2011 $m	2010 $m	Change %
Results as Reported (AUD)			
▪ Sales Revenue	400.8	408.4	(1.9)
▪ EBITDA	30.1	29.1	3.6
▪ EBITDA Margin	7.5%	7.1%	
Results in Constant Currency (AUD)			
▪ Sales Revenue	400.8	381.2	5.1
▪ EBITDA	30.1	26.9	12.1
▪ EBITDA Margin	7.5%	7.1%	

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European segment

	2011 $m	2010 $m	Change %
Results as Reported (AUD)			
▪ Sales Revenue	150.5	157.2	(4.3)
▪ EBITDA	15.6	24.1	(35.0)
▪ EBITDA Margin	10.4%	15.3%	
Results in Constant Currency (AUD)			
▪ Sales Revenue	150.5	150.5	0.0
▪ EBITDA	15.6	23.2	(32.4)
▪ EBITDA Margin	10.4%	15.4%	

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Australasian segment

	2011 $m	2010 $m	Change %
Results as Reported (AUD)			
▪ Sales Revenue	295.9	269.3	9.9
▪ EBITDA	27.0	40.3	(33.1)
▪ EBITDA Margin	9.1%	15.0%	
Results in Constant Currency (AUD)			
▪ Sales Revenue	295.9	264.9	11.7%
▪ EBITDA	27.0	39.4	(31.6)
▪ EBITDA Margin	9.1%	14.9%	

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2011 FX impacts

- The current policy of hedging purchases, but not profit translation, remains unchanged.

- The short term impact of currency movements on the 2011-12 half-year result (profit translation) is as follows:

1 cent increase in the average monthly rate for the AUD against the

USD = decrease NPAT by 0.1%

EURO = decrease NPAT by 1.1%

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