07–08 FULL YEAR RESULTS PRESENTATION

BILLABONG INTERNATIONAL LIMITED ABN 17 084 923 946

Presentation by Derek O'Neill
Billabong International's Chief Executive Officer

Billabong International Limited demonstrated its ability to deliver consistent global growth in the financial year to 30 June 2008. Net profit after tax was 12.6% higher in constant currency terms (5.5% in reported terms) to $176.4 million. Excluding one-off tax benefits of $7.8 million from the prior year, NPAT lifted 18.5% in constant currency terms. The result was achieved on a stronger performance in the second half, in which NPAT grew 21.8% in constant currency terms. Earnings per share for the full year lifted 5.5% to 85.7 cents per share. Group sales revenue lifted 17.6% in constant currency terms (10.2% in reported terms) to $1.35 billion, EBITDA grew 19.9% in constant currency terms (12.7% in reported terms) to $292.0 million and EBITDA margins lifted from 21.2% to 21.7%.

Directors declared a fully franked final ordinary dividend of 28.5 cents a share. This takes the full year dividend to 55.5 cents, an increase of approximately 10% on the prior year. As flagged at the half year result in February 2008, the continued expansion of the Group's international business, combined with likely increased dividends in the future, will result in future dividends being partially unfranked.

Sales revenues in the Americas grew 18.6% in constant currency terms in the second half, taking the region's full year growth to 16.1%. Improved EBITDA margins in the second half of 19.2% lifted the full year margin to 18.1% from 16.7% in the first half. In Europe, second half sales revenues lifted 20.8% in constant currency terms, taking full year sales revenue growth to 20.3%. EBITDA margins also grew strongly in Europe, lifting to 21.6% from 19.0% in the prior year. In Australasia, second half sales revenues lifted 19.8% in constant currency terms, taking full year sales revenue growth to 18.1%. EBITDA margins in Australasia lifted to 26.7% from 26.4% in the prior year. The stronger Australasian result followed the inclusion of the first full year of results from the previously-licensed South African business.

The continued strength of the Australian dollar against the US dollar adversely impacted reported results, with the Americas reported full year sales revenue growth trimmed to 2.6% (16.1% in constant currency terms) and EBITDA growth reduced to just 0.1% (16.0% in constant currency terms). To further illustrate the impact on the Group, the movement of the Australian dollar from approximately US90.0 cents at the time of the Company's half year results announcement in February 2008 to an average of US92.4 cents for the second half, stripped 0.9% from the Group's reported NPAT growth.

The Company acquired two new brands through the year, with the Hawaii-based Xcel wetsuits added in September 2007 and Australian girls brand Tigerlily added in December 2007. Both brands performed to expectation, with Xcel making a positive earnings per share contribution and Tigerlily on track to deliver an EPS positive result in its first full year in the Group. The 13-door Quiet Flight retail chain in the US was also acquired just prior to the close of the reporting period in June 2008 and gives the Group a retail presence in the strongly performing east coast retail market, as well as adding significant expertise to the Group's retail division. Since the close of the financial year, the Company has also acquired the US-based Sector 9 skateboard brand and, as announced today, the Company has entered into an agreement to acquire the US-based DaKine premium boardsport accessories brand. Both Sector 9 and DaKine have strong international growth prospects and are expected to be EPS positive in the 2008-09 financial year. These transactions largely complete the Group's specifically-targeted, well-balanced boardsports brand portfolio. The primary focus will now shift to the integration and synergistic development of the newly-acquired brands and the continued organic growth of the existing brands.

Overall, the Company performed well in all major markets and achieved higher margins and improved market share, particularly in the second half in the US and Europe. The continued internationalisation of the business, while exposing the Group to fluctuating economic conditions and exchange rate challenges, also insulates the Company from any significant deterioration in any single market. Similarly, the expansion of the Group's brand portfolio and international retail presence reduces the future reliance on any single category or customer. This strategy has been developed over a sustained period and has helped the Group retain its place as one of the world's strongest performing apparel companies.

Americas

Sales revenues in the Americas lifted 16.1% in constant currency terms to $US557.1 million, from $US479.7 million in the prior year. The result was boosted by sales revenue growth of 18.6% in constant currency terms in the second half. EBITDA growth of 23.0% in constant currency terms in the second half pushed full year growth to 16.0%, or $US100.8 million, while improved second-half EBITDA margins took full year margins to 18.1% (from 18.5% in the prior year). In reported Australian dollar terms, sales revenue in the Americas grew 2.6% to $620.5 million (from $604.6 million) and EBITDA was 0.1% higher at $112.0 million (from $111.9 million). The Group's reported results were again impacted by the strong appreciation of the Australian dollar against the US dollar.

The Group's brands continued to perform well in each of the United States, Canada, Brazil, Peru and Chile. In constant currency terms, sales revenues lifted 14.9% in North America and 29.4% in South America. In the US, the strongest regions included both the east and west coasts, while Hawaii remained more challenging.

At a brand level, Billabong achieved double-digit revenue growth in the Americas, with strong categories for men including boardshorts and t-shirts infused with bright colours. Dresses, swim, walkshorts and denim were good categories for girls. Element achieved good growth in the specialty retail channel, particularly with its girls range, while overall sales to its largest mall-based customer were down slightly. Nixon achieved strong revenue growth, with sales of larger-faced watches a particular highlight. The just-announced addition of DaKine will be a powerful addition to the Company's portfolio given the brand's strength in the US market.

The Group's specialty retail accounts outperformed mall-based retailers in the US. There was evidence of some retailers adopting a more cautious approach in the second half in response to subdued economic sentiment. However, continued demand for the Group's products has led to double-digit growth in forward orders in the US in the early part of the 2008-09 financial year.

The Group's own retail presence in the Americas grew from 59 stores to 86 stores, with 13 of those stores added just prior to the close of the financial year through the acquisition of the Quiet Flight retail business. The acquisition included the strongly performing and high profile Billabong and Element branded stores in New York's Times Square and Herald Square. Those stores were previously operated under licence by Quiet Flight.

Europe

The Group continued its strong historic growth profile in Europe. Sales revenues increased 20.3% in constant currency terms to €191.0 million (from €158.8 million in the prior year), following second half growth of 20.8%. EBITDA increased 36.7% to €41.2 million (from €$30.2 million in the prior year) in constant currency terms enhanced by 42.0% growth in the second half. EBITDA margins lifted to 21.6%, from 19.0% in the prior year, partially assisted by the rising Euro against the United States dollar. In reported terms, sales revenues in Europe lifted 18.8% to $314.4 million (from $264.7 million) and EBITDA was 35.2% higher at $68.0 million (from $50.3 million).

There was good growth across a range of territories, including France, Italy and Germany, while there was a decline in the Group's wholesale business in the United Kingdom given difficult trading conditions.

Strong growth was recorded in most categories, with highlights including boardshorts, t-shirts, denim and technical snow apparel. The girls business experienced slightly higher growth than mens and retains significant growth opportunities. The Element brand was particularly strong in both mens and girls across all markets in Europe. The evolving markets of eastern Europe again showed strong growth and the Company continued to invest in the region to maximise future opportunities.

Europe, a region with a significantly under-developed boardsports retail channel, remained an area of particular appeal in relation to the Group's own retail presence. Company-owned store numbers lifted from 34 to 53 during the year, with new doors opening in areas including the UK and Spain.

Europe performed consistently through to the close of the period and continued to show mid-teen growth in its early forward order book for the 2008-09 financial year.

Australasia

The conversion of the Group's South African business from a licensed to Company-owned operation was the primary contributor to an 18.1% lift in sales revenues to $412.7 million (from $349.3 million in the prior year) in constant currency terms. EBITDA was up 17.5% in constant currency terms to $110.1 million (from $93.6 million in the prior year), with EBITDA margins lifting to 26.7% (from 26.4% in the prior year). In reported terms, sales revenues lifted 16.7% to $412.7 million (from $353.6 million) and EBITDA was up 18.1% to $110.1 million (from $93.2 million).

All territories within the region experienced sales growth, with areas outside of Australia now contributing more than one third of the Group's Australasian sales. Sales revenues in Australia increased on improved margins. Victoria was the best performing state, while sales from south east Queensland were impacted by the closure of a key customer. New Zealand grew strongly with the first full year inclusion of sales from the Amazon retail chain, Japan experienced high-teen growth and there was good growth in the emerging Asian territories.

Within Australia, the Billabong brand performed well with girls slightly stronger than mens. Strong colours and all-over prints that were predominant in summer also carried through into winter ranges. Shorter-leg boardshorts and slim-fit jeans were also strong products for men, while dresses and denim performed well in girls. Nixon made considerable ground in the watch category, Tigerlily performed to expectation ahead of the launch of an accessories range later this year, Von Zipper continued to make strong gains and Kustom achieved growth in its open-toe footwear.

The Company-owned retail presence in Australasia grew to 103 stores from 66 stores previously, with the growth primarily in the emerging Asian region and South Africa. The greatest concentration of Group stores in the region was in Japan, which had 28 doors, and New Zealand, with 27 doors. The Group's own-store network in Australia added just one door in the period.

Australian retailers remained cautious at the start of the 2008-09 financial year following difficult trading in May and June, but demand for the Group's brands has led to higher repeat business in July and August. Given the general economic environment, the Group has applied a more conservative approach to account management. Combined with the more difficult economic climates in New Zealand and South Africa, the Australasian region is expected to show modest growth in the 2008-09 financial year.

Marketing

Billabong
The flagship Billabong brand continued to be represented by a large team of athletes and events around the world, underpinning its authenticity within the global boardsports community. The brand maintained its sponsorship of 4 of the 11 Association of Surfing Professionals World Championship Tour (WCT) events for men and 2 of the 8 events on the girls WCT. Billabong-sponsored athletes finished in 3 of the top 6 places on the 2007 men's WCT and 2 of the top 8 on the girl's WCT. Former world champion Mark Occhilupo retired from the WCT but retained his long-term association with Billabong. Brand highlights for the year included the signing of junior surfer Tamaroa McComb, who went on to win a world junior title in France; the signing of big wave surfing pioneer Greg Long and US National School Surfing Association champion Granger Larsen; the launch of a junior surfing series in Indonesia; snowboarder Wolle Nyvelt winning a rider of the year title; the hosting of the Billabong Air&Style snowboarding event in Innsbruck, Austria; the re-signing of world snowboarding champion Jamie Anderson; the ongoing hosting of the Billabong Girls Get Out There surfing series; the launch of the SurfAid International Schools Program supported by Billabong; the launch of a range of boardshorts made from recycled plastic bottles; and the winning of a series of product and environmental awards around the world including the Surf Industry Manufacturer's Association (SIMA) Women's Apparel Brand of the Year for Billabong Girls and Environment Product of the Year for Billabong's Sonic Recycler boardshorts.

Element
Element remained a leading skateboard-inspired brand, with global sales revenues and EBITDA margins both rising in the 2007-08 financial year. The brand experienced a stronger second half in it largest market of North America and achieved double-digit sales growth in Europe and Australasia. Element retained a strong media profile in the US, with athletes Bam Margera and Mike Vallely continuing to host high-rating television programs. The Element Advocate program, which profiles individuals making a positive impact on the world, expanded globally with good success. Element also launched a series of lighter and stronger high-performance skateboard decks utilising advanced new technology and re-launched its popular websites to provide enhanced interaction with its core market.

Von Zipper
Von Zipper continued to evolve as a leading eyewear brand that infuses elements of music, art and fashion to reflect the style, attitude and individuality of the boardsports and general action sports sectors. At a global level, the brand experienced double-digit sales growth at improved margins. Product innovation remained a driver of the brand, with highlights including the introduction of the premium Feenom snow goggle range, men's retro surf trunks and a selection of artist-designed t-shirts. Von Zipper continued to receive widespread exposure, with its women's swimwear featuring on several magazine covers, its sunglasses remaining the eyewear of choice for a host of celebrities, the flagship VZ-Air Tahiti surfing trials at Teahupoo gaining international exposure after being held in 12-15-foot surf and sponsored athletes and entertainers representing the brand in their chosen fields.

Kustom
Surf footwear brand Kustom continued to build its presence in international markets, with new business established in regions including Indonesia and marketing initiatives being upgraded from regional activities to global events. Within existing markets, including the US and Australia, Kustom's open-toe business experienced healthy sales increases.

Nixon
Nixon maintained its strong growth profile with a double-digit lift in sales to cement its place as the leader in the premium watch category within the boardsports channel. At a marketing level, Nixon signed iconic skateboarder Andrew Reynolds; singer Tristan Prettyman's single Hello had a strong debut on the US Billboard music charts; skateboarder Ryan Sheckler's Life of Ryan TV program was invited back for a third season on MTV; skateboarder Tony Hawk was named the favourite male athlete at the Nickelodeon Kids Choice Awards; and motorsport personality Travis Pastrana was crowned Rally America Champion for 2007 and winner of the X-Dance Best Action Sports Film for 2008 for his film 199 Lives. At a product level, Nixon's 5130 watch won the Surf Industry Manufacturers Association (SIMA) Best Accessory Product award and a National Geographic Adventure magazine Best of Gear award.

Honolua
Honolua continued to build its visibility in the US and Australian surf channels and achieved strong sales in its home market of Hawaii. At a product level, Honolua maintained its development of environmentally-aware apparel utilising recycled plastic bottles and organic cottons. Honolua's heritage as a waterman-inspired brand was also supported by events such as ocean paddle races and surfing events respecting the history of the sport, as well as sponsored athletes participating in big-wave surf sessions and open-ocean paddling.

Palmers
Palmers is a surf hardware brand specialising in the manufacture of surfboard wax and surfing accessories, including deck grip and legropes. The brand, which falls within the Group's Network Surf accessories division, remained a leader in the surf hardware category, particularly in its home market of Australia.

Xcel
The Hawaii-based Xcel wetsuit brand was acquired in September 2007. It has been progressively integrated into the Group, resulting in the opening of more than 50 new accounts in Australia, the establishment of Xcel in South Africa and the completion of preliminary work in preparation for the Company's launch of the brand in Europe in the 2008-09 financial year. Xcel's position as a category leader was acknowledged

through the year with its second consecutive Surf Industry Manufacturers Association (SIMA) award for Wetsuit of the Year.

Tigerlily

Tigerlily was acquired in December 2007 and the business has been successfully integrated into the Group following the appointment of a general manager. The Tigerlily flagship retail store in Sydney achieved record winter sales and completed development of its summer 2008 collection. Work was also close to complete on the development of a Tigerlily range of accessories, which will be launched in November 2008.

Sector 9

The Group completed the acquisition of the US-based Sector 9 skateboard brand immediately after the close of the 2007-08 financial year. Sector 9 specialises in skate longboards and is the defining brand in the category. The brand generates the bulk of its sales in the US and has fast-growing sales in a range of international territories including Australia and France. It is expected to contribute approximately 2% to Group revenue in the 2008-09 financial year.

Retail

The Group's retail presence lifted to 242 company-owned doors from 193 at the end of the 2007-08 first half and contributed approximately 18% of Group sales revenues, being in line with the contribution at the end of the 2007-08 first half. The growth in store numbers, which was boosted by acquisitions, provides further opportunity for the Company's brands to be presented to consumers in areas where they are under-represented at a retail level. The Group has achieved good synergies through the central sourcing of store fitouts, thus lowering overall capital expenditure requirements. The Group's own portfolio of brands is increasingly providing a compelling retail offer and the Company continues to review further international retail opportunities as they arise.

Corporate Responsibility

The Company maintained its commitment to the application of Social Accountability International's SA8000 compliance standard among external factory contractors. SA8000 is a certification standard based on the primary international workplace rights contained within the International Labour Organisation conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. In the 2007-08 financial year, factories in the Company's supply chain were subjected to a total of 295 full SA8000 audits and a further 443 corrective action plan audits. The Company also joined the Continuous Improvement in Central American Workplaces (CIMCAW), a public-private alliance designed to encourage improved working conditions in emerging Central American economies.

Billabong International continued its support of various environmental initiatives, including the voluntary measurement and independent review of its global carbon footprint. Our statement, which is currently being independently reviewed, shows that the Company remains well under the Australian Government thresholds for mandatory carbon reporting. However, Billabong International continues to voluntarily disclose its footprint and implement initiatives to reduce its environmental impact.

Outlook

The 2007-08 financial year was indeed challenging, but the Group demonstrated the strength and reliability of its multi-country, multi-branded business model in delivering very strong underlying growth. Of note, the emergence of regions such as Japan, Canada, Brazil, South Africa and various individual European countries has reached the point where each has the capacity to individually impact Group results. Such has been the growing contribution from the Group's international businesses that the Group's Australian business, while itself still growing, contributed less than 20% of global sales revenues for the first time ever, while the US contribution has moved down closer to 35%. This diversification through emerging regions is a trend that is expected to continue.

Billabong International, through compelling brand and retail offerings in the global boardsports channel, aims to deliver consistent, double-digit earnings growth over the mid to long term. The Company has consistently demonstrated its ability to execute this vision.

The rate of growth in individual years is becoming increasingly difficult to forecast given major fluctuations in exchange rates and volatility in the strength of regional economies. However, based on the Group's forward order book Billabong International remains on track to deliver solid growth in the 2008-09 financial year. Indent orders are up in the low double digits in North America, the mid-teens in Europe and low single digits in Australasia. How this level of growth ultimately translates into reported Australian dollar earnings is subject to multiple currency assumptions and the absence of a significant deterioration in the global boardsports retail environment. Based on existing market conditions and assuming current exchange rates, in particular an AUD/USD exchange rate of approximately US88 cents and an AUD/Euro exchange rate of approximately €59 cents, the Group expects to deliver full year EPS growth in the range of 8% to 12% in the 2008-09 financial year.

Presentation by Craig White
Billabong International's Chief Financial Officer

The following commentary should be read in conjunction with the attached tables.

Table 1: Consolidated Results

- In constant currency terms, net profit after tax (NPAT) of $176.4 million represents an increase of 12.6% over the prior year. As reported NPAT represents an increase of 5.5% over the prior year reflecting the impact of a strong appreciation in the AUD against the USD in particular, with an average full year rate of 89.6 cents compared to the prior full year average rate of 78.4 cents, and to a lesser extent an appreciation in the AUD against the Euro.

  In constant currency terms and ignoring certain one-off tax benefits amounting to $7.8 million in the prior year, underlying NPAT growth was 18.5% over the prior year.

  The components of this Group result include:

  - Sales revenue of $1,347.6 million, excluding third party royalties, represented a 17.6% increase over the prior year in constant currency terms. As reported sales revenue growth was 10.2%.

  - Consolidated gross margin at 54.9% is higher than the prior year's 53.3%. Gross margin improvement was primarily attributable to the stronger AUD and Euro against the USD.

  - EBITDA of $292.0 million represents a 19.9% increase over the prior year in constant currency terms. As reported EBITDA growth was 12.7%.

  - EBITDA margin of 21.7% remains strong and is 0.5% higher than that for the prior year of 21.2%. This is principally due to segment mix with strong EBITDA growth and improving margins in Europe, and to a lesser degree Australasia, offset by slightly lower margins in the Americas.

  - Return on average equity was 22.7% in line with that of the prior year.

  - Earnings per share was 85.7 cents, an increase of 5.5% on the prior year, consistent with as reported NPAT growth.

Table 2: Depreciation, Amortisation, Interest Expense and Taxation

- Depreciation and amortisation expense increased by 25.0% to $27.2 million principally due to both acquisitions, including Billabong International's licensee in South Africa, Xcel Wetsuits and Tigerlily, combined with retail store expansion, particularly in Europe.

- Net interest expense increased 23.8% to $19.2 million principally driven by the capital expenditure requirements for acquisitions and organic retail store expansion, together with increased working capital requirements to support both organic growth as well as acquired businesses.

- The income tax expense for the year ended 30 June 2008 is $69.3 million (2007 - $54.2 million), an effective rate of tax of 28.2% (2007 - 24.4%).

  The following one-off items had a significant impact in determining the prior year's income tax expense for the Group:

  (a) Intra-group royalties – as part of a comprehensive review the Group has made a number of changes to its intra-group royalties. In relation to royalties received from the USA a bilateral Advanced Pricing Agreement (APA) has been entered into with both the Australian Tax Office (ATO) and the United States Internal Revenue Service (US IRS) covering the period 1 July 2005 to 30 June 2010. A similar process is underway with the French Taxation Authority (FTA) in France. The total tax benefit that was recognised in the financial year ended 30 June 2007 was $10.8 million. Of the total tax benefit, $7.5 million related to the 30 June 2007 financial year ($4.8 million in respect of North America; $2.7 million in respect of Europe) and $3.3 million (all in respect of North America) related to the 30 June 2006 financial year.

  (b) Timing of recognition of royalty income – a revision of the Group's method for recognising royalty income earned for income tax purposes from a cash to accruals basis resulted in a non-recurring benefit of $4.5 million in the 30 June 2007 financial year. This benefit has been fully recognised in the 30 June 2007 financial year.

  Excluding these one-off taxation benefits received in 2007, the Group's effective tax rate for the prior year period would have been 28.0%.

Table 3: Balance Sheet

- Working capital (including factored receivables) at $339.7 million increased 19.7% compared to sales revenue growth of 17.6% in constant currency terms, principally reflecting the impact of the acquisitions made by the Group.

- The doubtful debts provision at $16.0 million remains conservative and is sufficient to meet the Group's requirements.

- Net debt levels of $354.8 million have increased 39.6% from the prior year reflecting the above mentioned working capital and capital expenditure investments made by the Group. Consequently the gearing ratio of 30.9% is higher than at 30 June 2007 (25.1%) but remains conservative.

- Interest cover remains strong at 11.1 times.

- On 17 July 2008 the Group successfully finalised and closed a new $600 million syndicated bank facility. The facility is structured as an unsecured multi-currency facility with a two year and three year tranche of $300 million each, which is due for roll-over prior to 1 July 2010 and 1 July 2011 respectively.

  In addition, on 21 July 2008 the Group also rolled over a previously secured $100 million multi-currency overdraft facility to an unsecured basis, also on a 2 year tenure which is due for roll-over prior to 17 July 2010.

  The two facilities totalling $700 million replaced the Group's previous secured facilities and provide additional liquidity to the Group.

- The Directors have also approved the introduction of a dividend reinvestment plan (DRP) to be implemented ahead of the final dividend to be paid on 24 October 2008. The Group is providing this facility as an additional option available to shareholders and in response to requests from Billabong International's shareholders. Further details in regards to the DRP will be communicated to shareholders shortly.

  For the final dividend to be paid on 24 October 2008, the DRP will be satisfied through the issue of new shares at up to a discount of 2.5% to the arithmetic average of Billabong International's volume weighted average share price for the 10 trading days commencing on (and including) 30 September 2008, being the second trading day after the dividend record date of 26 September 2008. The DRP will be 50% underwritten. Assuming that the total participation rate is no greater than 50%, the DRP is expected to reduce EPS growth for the year ending 30 June 2009 by approximately 1%. However, on this same assumption, it will provide the Group with an additional $29.6 million of additional funding liquidity.

  The terms of the DRP may be varied for future dividends beyond the final dividend for the year ended 30 June 2008.

Table 4: Cash Flow Statement

- Cash flow from operations increased 68.0% to $153.2 million driven by both higher net cash receipts and the timing of income tax payments (principally in the USA) in the prior year. Net cash receipts of $231.6 million are 17.2% higher than the prior year.

- Capital expenditure of $146.9 million was in accordance with expectations and includes the acquisition of Billabong International’s licensee in South Africa, Xcel Wetsuits, Tigerlily, Kirra Surf and Quiet Flight, together with general investment in owned retail globally.

The following tables should be read in conjunction with the presentation by Billabong International's Chief Executive Officer and presentation by Billabong International's Chief Financial Officer as set out in the Full Year Results Summary.

CONSOLIDATED RESULTS

Table: 1
Consolidated Results

	2008 $m	2007 $m	2008 Change %
Results in Constant Currency			
• Sales Revenue* [1]	1,347.6	1,145.5	17.6
• EBITDA*	292.0	243.5	19.9
* 2007 results have been adjusted assuming local currencies were translated at the same rates as for 2008			
[1] Excluding third party royalties.			
Results as Reported			
• Sales Revenue	1,347.6	1,222.9	10.2
• EBITDA	292.0	259.1	12.7
• EBITDA Margin	21.7%	21.2%	
• NPAT	176.4	167.2	5.5
• Return on Equity	22.7%	22.7%	0.0
• Earnings per Share	85.7c	81.2c	5.5

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Table 2:
Depreciation, Amortisation, Interest Expense and Taxation

	2008 $m	2007 $m	2008 Change %
Depreciation	27.1	21.4	26.6
Amortisation	0.1	0.4	(75.0)
Net Interest Expense	19.2	15.5	23.8
Tax Expense	69.3	54.2	27.8

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Table 3:
Balance Sheet

	2008 $m	2007 $m	2008 Change %
Working Capital (constant currency)			
Receivables (inc factored receivables)	302.7	261.9	
Inventory	209.7	165.1	
Creditors	(172.7)	(143.3)	
	339.7	283.7	19.7
Gearing Levels			
Borrowings (net)	354.8	254.1	39.6
Gearing Ratio (net debt : net debt plus equity)	30.9%	25.1%	
Interest Cover	11.1 times	12.5 times	

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Table 4:
Cash Flow Statement

	2008 $m	2007 $m	2008 Change %
Net Cash Inflow from Operating Activities	153.2	91.2	68.0
Payment for Purchase of Subsidiaries, net of cash acquired	(90.7)	(22.6)	
Net Payments for Plant and Equipment	(53.0)	(38.8)	
Payments for Intangibles	(3.2)	(12.1)	
Net Cash Outflow from Investing Activities	(146.9)	(73.5)	
Proceeds from Issues of Shares	0.1	2.6	
Payments for Treasury Shares held in ESP Trusts	(10.8)	(7.7)	
Net Proceeds from Borrowings	141.3	136.8	
Dividends Paid	(112.0)	(97.4)	
Net Cash Inflow from Financing Activities	18.6	34.3	
Net Movement in Cash Held	24.9	52.0	

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SEGMENT RESULTS

Americas Segment

	2008 $m	2007 $m	2008 Change %
Results in USD			
• Sales Revenue	557.1	479.7	16.1
• EBITDA	100.8	86.7	16.0
Results as Reported (in AUD)			
• Sales Revenue	620.5	604.6	2.6
• EBITDA	112.0	111.9	0.1
• EBITDA Margin	18.1%	18.5%	

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European Segment

	2008 $m	2007 $m	2008 Change %
Results in Euro			
• Sales Revenue	191.0	158.8	20.3
• EBITDA	41.2	30.2	36.7
Results as Reported (in AUD)			
• Sales Revenue	314.4	264.7	18.8
• EBITDA	68.0	50.3	35.2
• EBITDA Margin	21.6%	19.0%	

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Australasian Segment

	2008 $m	2007 $m	2008 Change %
Results in AUD (constant currency)			
• Sales Revenue	412.7	349.3	18.1
• EBITDA	110.1	93.6	17.5
Results as Reported (in AUD)			
• Sales Revenue	412.7	353.6	16.7
• EBITDA	110.1	93.2	18.1
• EBITDA Margin	26.7%	26.4%	

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Note:

Segment Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) excludes inter-company royalties and sourcing fees and includes an allocation of head office corporate overhead costs (including international advertising and promotion costs). Consistent with the year ended 30 June 2007 corporate overhead costs have been allocated to each segment based on each segment's sales as a proportion of Group sales.

2007/08 FX Impacts

- **The current policy of hedging purchases, but not profit translation, remains unchanged.**
- **The short term impact of currency movements on the 2007/08 full year result (profit translation) was as follows:**

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

USD = decrease NPAT by 0.60%
EURO = decrease NPAT by 0.56%

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