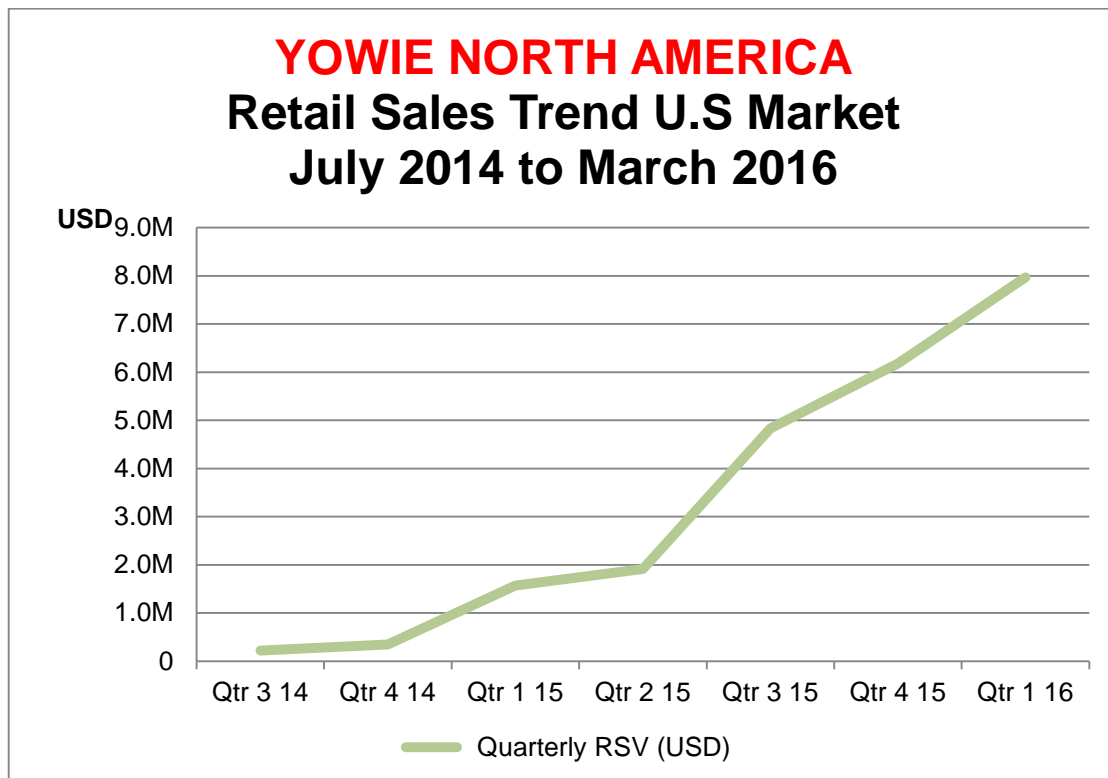


Quarterly Activities Report for the period to 31 March 2016



Highlights

- Second consecutive quarter of positive operating cashflow
- Highest quarterly sales since company inception
- Strong Easter sales performance
- National distribution secured in 6500 Walgreens stores
- Walgreens becomes the third Tier 1 U.S. retail account for Yowie in less than two years since product launch
- Ranging has now increased to 23-25,000 stores with sales recorded across 45 current active accounts and/or account groups
- Safeway is the second top performing account
- Inaugural Yowie social media marketing campaign launched in peak selling pre-Easter period

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- **Film Producer Bruce Davey appointed as independent Global Creative Consultant and advisor**
- **Long term manufacturing agreement signed with New York based Madelaine Chocolate Company**
- **Commissioning and installation of new Yowie manufacturing plant with Madelaine Chocolate Company successfully completed**

[In detail:](#)

Highest quarterly sales since company inception

The March 2016 quarter was the strongest sales quarter for Yowie in the U.S. market since launch in June 2014. Sales were more than five times greater than for the same period a year ago.

Sales continue to grow across both Tier 1 and Tier 2 accounts assisted by a Walmart end cap promotion during Easter, plus a VPI program in Walmart Neighborhood Markets and improved minimum inventory shelf levels.

In this March quarter an estimated USD\$8 million of retail sales value was achieved (based on average RRSP). Retail sales value since launch in June 2014 is now over USD\$23 million (AUD equivalent \$30 million) with marketing support initiated for the first time in this quarter.

Easter is traditionally the highest selling period for confectionery with sales decreasing in the warmer months in spring and summer.

Strong Easter sales performance

Easter delivered a record sales performance - in Walmart due to Yowie Easter program together with strong consumer offtake across a range of other Tier 1 and Tier 2 accounts.

National distribution secured in 6500 Walgreens stores

National distribution has commenced in Walgreens the largest drug retailing chain in the U.S. where Yowie is now on sale in over 6400 Walgreens stores. Walgreens is the third Tier 1 U.S. retail account Yowie has achieved in less than two years, an outstanding sales achievement for a new product line in such a short time frame in the largest consumer market in the world.

Ranging has now increased to 23-25,000 stores with sales recorded across 45 current active accounts and/or account groups

Yowie is now ranged in 23-25,000 stores with sales recorded across 45 current active accounts and account groups in the quarter. Permanent distribution was secured in

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new accounts in the quarter including Pilot/Flying with 500+ stores and Cracker Barrel with 600+ stores. Support from regional broker networks are helping increase Yowie distribution in parallel with new account achievements.

Safeway is the second top performing account For Yowie

Within twelve months from securing national U.S. distribution in 1318 Safeway stores the food and drug retailer is now the second top performing account for Yowie

Inaugural Yowie social media marketing campaign launched in peak selling pre-Easter period

An inaugural Yowie social media marketing campaign was launched in peak selling pre-Easter period. The campaign was designed to engage consumers in the U.S. market with the Yowie chocolate surprise product, build awareness and understanding around the Yowie brand and 'Save the Natural World' message. The campaign performed successfully across all measures providing social media endorsement for consumer purchases of Yowie for Easter Egg Hunts. Investment was in the order of USD\$500,000 including production. The campaign strategy was consistent with Yowie 'learning what works through trial', a strategy that has proven successful for Yowie in the U.S. in retail trade selling (Walmart and other trials).

Film Producer Bruce Davey appointed as independent Global Creative Consultant and advisor

Academy Award winning Australian Film Producer Bruce Davey has been appointed as independent Global Creative Consultant and advisor to the Group. With over 25 years of experience in the film, television and entertainment industry, Bruce is uniquely placed to provide creative guidance and direction to the Group as Yowie moves to open up other categories beyond confectionery including publishing, film and animation. Bruce brings to Yowie Group a wealth of experience and extensive contacts in the entertainment industry in the U.S, having been a resident of Los Angeles for 18 years, and across the world. Bruce is currently Chairman of Icon Group and intends to continue in this role. Bruce has already commenced working with the Group on the development of Yowie publishing and Yowie animated webisodes (7 x 3 minute webisodes), designed to share the Yowie story and introduce each of the Yowie characters. Both the publishing and webisode developments are being tailored for the US market and scheduled for launch in early 2017.

Long term manufacturing agreement signed with New York based Madelaine Chocolate Company

In December 2015 the Company announced it had entered into a long term manufacturing agreement with New York based Madelaine Chocolate Company (MCC). The production and capacity features at MCC allow Yowie the opportunity to expand its US rollout and plan for global expansion opportunities. The new Yowie

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manufacturing arrangements with MCC utilize a Company-owned, U.S Patent pending /FDA approved new capsule design. This has been developed as part of a long term strategic plan to optimize Yowie performance and be well positioned to compete successfully in a competitive global market. Following successful installation and commissioning production has now commenced at the MCC facility with the Angry Birds licensed product being the first product manufactured on the newly commissioned line.

Sales & Marketing

The March 2016 quarter was the strongest sales quarter for Yowie in the U.S. market since launch in June 2014 with Easter delivering a record sales performance across a range of Tier 1 and Tier 2 accounts. The 2016/17 Yowie Marketing and New Product Development Program is being presented to key major customers.

Marketing

- Advertising - The Yowie U.S market launch pre-Easter campaign involved a mix of social media partners including YouTube, Facebook, Just Kidz, Totally Kidz and Pilgrimatic with a spend level of around USD\$500,000 (including production) committed over a four week period. The campaign was targeted towards Mums and children age 7-12 years. Yowie YouTube was best ad format and Yowie 30 second Tiny Animal spot was highest engagement and top spot performer.
- Digital – YouTube continues to deliver for Yowie. This was bolstered by Easter season related videos such as the one created by 'Two Sisters Toy Style Easter Egg Hunt' which has over 2 million views so far. Traffic from the U.S. this month on Yowie World accounts for over 97% of total with Australia dropping to less than 1%. The most visited sections on the site are 'Play', 'Where to Buy' and 'Discover Yowie' in that order. Instagram had more Yowie-tagged posts during March – more than any other month previously. Content featured a mix of Yowie discovery for first-timers, Easter 'haul' candy shots and collector shots. Facebook growth increased in March, largely due to the paid pre-Easter campaign led by Adolescent.
- Publishing - work is now complete on the development of Yowie character storylines and background development for the launch of six individual Yowie character books into the U.S market in time for Halloween 2016. The books are designed to bring the Yowie story to life for U.S consumers. The books are set in American habitats each with an American storyline, and American endangered and other animals. Concepts are being presented to US book buyers in May by Yowie's publishing agent.

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- Animation - creative development currently underway for Yowie books has been designed to feed into webisode development which is also in development.
- Licensing - Angry Birds - Yow Brands Ltd / Angry Bird candy manufacturing is on schedule. A 48 count Angry Bird in store display stand has been developed in response to three separate account customers order requirements. Angry Birds will be launched at the 2016 Sweets & Snacks Expo in May. Other licensing concepts are in development.

Wayne Loxton
Executive Chairman
Yowie Group Ltd

About Yowie

Yowie Group Ltd is a global brand licensing company specialising in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. Educating children and adults about the environment and ecology is at the heart of the Yowie proposition.

Yowie Group employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. The Company's vision for the Yowie brand includes distribution of Yowie product in North America, with further expansion planned into Australia, New Zealand and throughout Asia, where the Yowie brand is known and brand equity remains strong, even with the brand not having been active in the market for around eight years. Expansion into Europe and the Middle East are key strategic priorities for a second-stage brand rollout.

Yowie Group Ltd was first listed on the Australian Securities Exchange www.asx.com.au in December 2012 under code name 'YOW'. The Company's registered head office is in Perth, Western Australia.

For more information on the company go to www.yowiegroup.com
The Yowie consumer website can be found at www.yovieworld.com

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

YOWIE GROUP LTD

ABN

98 084 370 669

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (9 months) \$US'000
1.1 Receipts from customers ¹	3,990	9,426
1.2 Payments for (a) staff costs	(763)	(1,258)
(b) advertising and marketing	(543)	(1,127)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,412)	(5,655)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	62
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(37)	(37)
1.7 Other (royalty income)	2	46
Net operating cash flows	1,250	1,457

¹ Receipts from customers for six months ended 31 December 2015 of \$5.4 million include US\$1 million cash receipts over the September 2015 and December 2015 quarters from initial orders from Yowie national U.S. rollout to over 4,300 Walmart stores.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$US'000	Year to date (6 months) \$US'000
1.8 Net operating cash flows (carried forward)	1,250	1,457
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (product development)	(172)	(363)
(d) physical non-current assets	(991)	(1,708)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(1,163)	(2,071)
1.14 Total operating and investing cash flows	87	(614)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	4,207
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (capital raising costs/share issue costs)	-	(15)
Net financing cash flows	-	4,192
Net increase / (decrease) in cash held	87	3,578
1.21 Cash at beginning of quarter/year to date	11,589	8,465
1.22 Exchange rate adjustments to item 1.21	41	(326)
1.23 Cash at end of quarter	11,717	11,717

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.24	Aggregate amount of payments to the parties included in item 1.2	160
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Payments include: <ul style="list-style-type: none"> • Payments of directors' fees and consulting fees to directors 	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$US'000	Previous quarter \$US'000
4.1	Cash on hand and at bank	10,800	9,996
4.2	Deposits at call	917	1,593
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		11,717	11,589

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: N J Bassett
(Company Secretary)

Date: 21 April 2016

Print name: Mr Neville Bassett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.