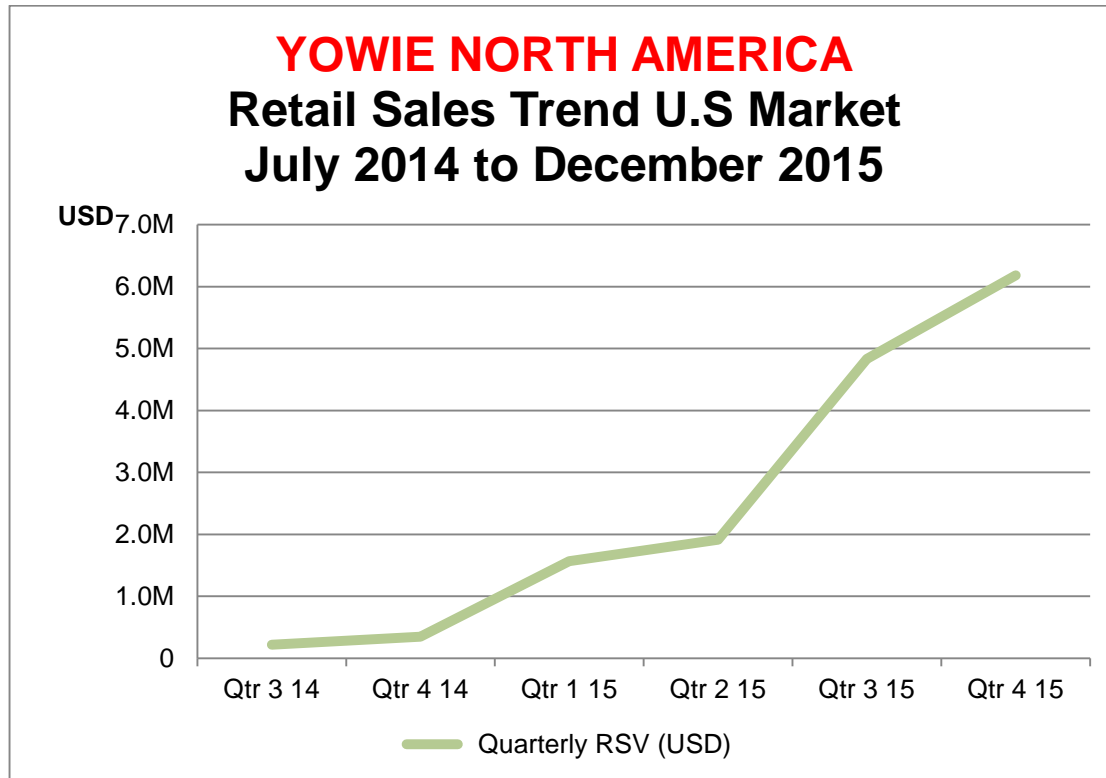


Quarterly Activities Report for the period to 31 December 2015



Highlights

- Record sales and increased U.S market penetration
- Latest Nielsen scan data results extremely positive for Yowie
- Developed a new Company owned US patent pending and FDA approved capsule design
- Expanded contracted manufacturing capacity in the USA by entering into a long term manufacturing agreement with New York based Madelaine Chocolate Company with commissioning on schedule for end February 2016
- Licensing Agreement signed for the rights to manufacture and distribute an Angry Birds chocolate candy inclusion product with an Angry Birds collectable surprise inside. Other licensing opportunities are in negotiation.

Head Office
Yowie Group Ltd
Level 45, 108 St Georges Terrace,
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 9486 7066
Fax +61 8 9486 8066
ABN 98 084 370 669





[In detail:](#)

Record sales and increased market penetration

The December 2015 quarter was the strongest sales quarter for Yowie in the U.S market since launch in June 2014. In this quarter an estimated USD \$6.2 million of retail sales value was achieved. Retail sales since launch are now over USD\$15.1 million (AUD\$21.5 million).

Sales were recorded across a range of 45 current active accounts, account groups and/or brokers although the bulk of the sales lift in this quarter resulted from the commencement of rollout to 4400+ Walmart stores nationally. An external merchandising company provides in store merchandising assistance to the Walmart account to ensure stock levels are maintained and sales potential is maximised. Sales within the 1500 previous Walmart accounts continue to grow and all new Walmart accounts where distribution has been achieved within the national rollout have recorded sales. At the end of the quarter product was selling in approximately 4400+ Walmart stores including Neighbourhood Market stores.

Current active YNA retail accounts include mass merchandise, grocery, convenience, oil, drug, specialty candy stores, retail groups, brokers and distributors. The YNA Sales team was expanded during the previous quarter to include three new senior account people bringing the benefit of confectionery and retail industry experience.

Latest Nielsen scan data results extremely positive for Yowie

See separate detailed ASX announcement released on Wednesday January 27, 2016.

New Company owned U.S patent pending and FDA approved capsule design

Yowie has developed a new Company owned capsule and Yowie will use the capsule in manufacturing at the Madeleine Chocolate Company.

Manufacturing Agreement with Madelaine Chocolate Company

During the quarter, the Company significantly expanded its contracted manufacturing capacity in the USA by entering into a long term manufacturing agreement with New York based Madelaine Chocolate Company. The agreement will allow Yowie access to high speed, high volume, fully automated and robotically driven manufacturing of the Yowie chocolate candy product.

Yowie will be using its newly developed, US patent pending and FDA approved capsule design in its production facility with Madelaine which is intended to deliver reduced input costs, automated processing and improve ease of opening the product capsule.

Head Office

Yowie Group Ltd
Level 45, 108 St Georges Terrace,
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 9486 7066
Fax +61 8 9486 8066
ABN 98 084 370 669





Yowie will no longer use the Whetstone capsule design in its products and elected not to pay any license fees for rights to use the Whetstone capsule design after 31 December 2015.

Yowie entered into a new manufacturing agreement with the Madeleine Chocolate Company as part of a long term strategic plan designed to mitigate risk and optimize Yowie performance and market opportunity. The company aspires to build a sustainable company and brand well equipped to compete successfully in a competitive global market and well positioned to deliver on the company's global vision and ambition.

Angry Birds Licence Agreement

During the quarter, the Company entered into a Licensing Agreement with Rovio Entertainment Ltd. ("Rovio"), the Finnish entertainment media-company and video game developer of the globally successful Angry Birds franchise for the rights to manufacture and distribute an Angry Birds chocolate candy inclusion product with an Angry Birds collectable surprise inside for the U.S. market. The terms of the agreement give Yowie licensing rights for a period of three years up until September 2018. The Angry Birds chocolate candy launch into the U.S market is being timed to coincide with the release of a new Angry Birds movie in May 2016.

Sales & Marketing

During the quarter:

Sales & Distribution

Orders were received and delivery commenced to progress the national rollout of Yowie confectionery product across approximately 4400+ stores in the Walmart network across the US.

The national launch across the U.S wide network of Walmart stores is a direct result of a consistent Yowie sales performance that began with a 50 store trial in Texas during September 2014 extending in March 2015 to a rollout across 1500 Walmart stores. Progression from a 50 store trial to a national rollout in less than 12 months confirms Walmart's high expectation for the Yowie product.

Yowie ranging across all Walmart stores will be in prime in-store location for an impulse purchase on "assisted" and "self" check-out stands across all 4400 stores, but may vary by store. The expanded point of sale to the self check-out lanes will give the product additional front-end exposure for impulse purchases.

Head Office
Yowie Group Ltd
Level 45, 108 St Georges Terrace,
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 9486 7066
Fax +61 8 9486 8066
ABN 98 084 370 669





Sales expansion initiatives include the Walmart new store expansion with execution having commenced in October 2015, a VPI (Volume Producing Item) program at Walmart Neighborhood Markets, Walmart Christmas holiday program and the holiday end cap program. **New accounts secured during the quarter include:** Carmi Wholesale Distributor, Global Merchandising Corporation, H.T. Hackney (distributor for Weigels stores), Harbor Wholesale Foods and Aurus Trading.

Marketing

- Advertising - Creative concept development has commenced with an LA. based creative agency with a view to having material ready for launch in U.S. market during Qtr. 2, 2016
- In Store Display - Yowie in store display is moving to prototype stage of development
- Media - Yowie rollout into 4400 Walmart stores featured in Confectionery News.com the leading global confectionery industry newsletter and other candy related digital trade press
- Digital - The Yowie World site is now upgraded for mobile access and a new game launched on Yowie World – 'The Great Prairie Dash'.
- Yowie World – Has consistently generated around 10% growth in visits each month since launch. Consumer experience remains positive with over 20% of web users return month-on-month, to play again. Traffic originates from U.S 70%, Australia 13% and UK 7%. "Where to Buy" and Yog Racer game the most popular content areas month on month.
- You Tube - Yowie on You Tube has surpassed 4.5M video views with over 70 new You Tube videos created during the month of December alone.
- Facebook - Yowie Facebook continued growth at a level higher than organic benchmarks. Customers mostly engaged with competition updates, and brief, snappy animal kingdom facts and photos.
- Instagram – Yowie executed a successful Instagram launch and Instagram engagement continues to grow with customers sharing images of Yowie and Yowie related images
- Publishing - Work has commenced on developing Yowie character storylines and background development
- Animation - The creative development underway for the Yowie books will feed into future webisode animation development

Head Office
Yowie Group Ltd
Level 45, 108 St Georges Terrace,
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 9486 7066
Fax +61 8 9486 8066
ABN 98 084 370 669





Corporate

- 18,077,920 listed options and 2,500,000 unlisted options were exercised, raising an additional USD\$3,004,000.
- As at 31 December 2015, the Company held cash reserves of USD\$11.589 million.

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.yowieworld.com

Head Office
Yowie Group Ltd
Level 45, 108 St Georges Terrace,
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 9486 7066
Fax +61 8 9486 8066
ABN 98 084 370 669



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 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 months) \$US'000
1.1 Receipts from customers ¹	3,625	5,436
1.2 Payments for (a) staff costs	(255)	(495)
(b) advertising and marketing	(483)	(584)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(2,026)	(4,243)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (royalty income)	16	44
Net operating cash flows	892	207

¹ Year to date Receipts from customers include US\$1 million cash receipts over the September and December 2015 quarters from initial orders from Yowie national U.S. rollout to over 4300 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)	892	207
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (product development)	(191)	(191)
(d) physical non-current assets	(552)	(717)
(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	(743)	(908)
1.14 Total operating and investing cash flows	149	(701)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	3,004	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)	(15)
Net financing cash flows	2,989	4,192
Net increase / (decrease) in cash held	3,138	3,491
1.21 Cash at beginning of quarter/year to date	8,311	8,465
1.22 Exchange rate adjustments to item 1.21	140	(367)
1.23 Cash at end of quarter	11,589	11,589

+ 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	225
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	9,996	6,450
4.2 Deposits at call	1,593	1,861
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	11,589	8,311

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: 27 January 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.