

Quarterly Activities Report for the period to 31 March 2015

Highlights

- Yowie confectionery product to launch nationally across the US into 1,505 Walmart stores including Walmart Supercenters, Discount Stores and Neighborhood Markets
- Yowie confectionery product to launch into 1,318 Safeway stores nationally across the US
- Updated the Yowie World.com digital discovery and experience

Sales & Marketing

During the quarter:

- Announced that Yowie confectionery product will launch nationally across the US into 1,505 Walmart stores including Walmart Supercenters, Discount Stores and Neighborhood Markets, as a result of a successful trial in Texas in 2014.

Yowie product ranging will be at prime in store location for an impulse purchase on check-out stands across the 1,505 stores, with 10 points of distribution per store.

- Announced that Yowie confectionery product will launch into 1,318 Safeway stores nationally across the US. Yowie product ranging has commenced in store across checkout stands in Safeway stores in Northern California, Washington, Arizona, Colorado and the U.S. North East. The number of check-out stands per store is in process of being confirmed as merchandising and display aspects are finalized. Distribution has already begun to Safeway stores with orders in the process of dispatch.
- Provided an update on Yowie World the free website, app and digital experience at www.yowieworld.com launched in February 2014.

Head Office

Yowie Group Ltd
Level 45, 108 St Georges Terrace,
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Designed to extend the Yowie brand experience beyond confectionery, Yowie World brings Yowie collectables to life through games, quizzes, interactive stickers and books with 3 games available for download.

Yowie World provides the opportunity for children to learn more about the protection of endangered animals and their threats of extinction. Consumers are invited to 'Discover Yowie World Today!' via Yowie product leaflets, messaging on pack, posters, digital marketing, social media and carefully targeted promotion.

Yowie World supports the Yowie mission to help 'Save the Natural World' and the Yowie core brand proposition that is 'Play and Learn'. Digital media remains the primary preferred communication medium for the Yowie consumer and target market.

The Yowie confectionery product continues to make steady progress across a broad range of trade channels. Roll out of Yowie in the US market is at the national launch phase, positive consumer response to the product offer continues to grow supported by consistency of repeat purchase and social media endorsement.

Further sales and distribution accounts have been signed with the following new accounts, which will result in Yowie product being distributed to an additional 3,099 new outlets in the first instance with potential for rollout into over 19,000 additional stores:

- **Walmart** – National rollout into 1,505 Walmart stores at prime impulse purchase location on checkout stands with 10 points of distribution per store commenced during March;
- **Safeway** – National rollout into 1,318 Safeway stores across checkout stands (# to be confirmed) also commenced during March;
- **AWG Brands** - Rollout into 123+ grocery co-operative stores commenced during March;
- **7/11** - Roll out to 58 Seven Eleven (7/11) Hawaii based stores with potential for a further 5000+ stores on the US mainland;
- **CVS Pharmacy** - Orders have commenced to 50 CVS Hawaii based stores with potential for 6000+ stores on the US mainland;
- **Unified Grocers** – Two new grocery chain accounts added to Unified Grocers with John's Market (10 store chain) and Super Kin market (15 store chain);
- **Stark Foods, Mandel Distributors & Matty's Toy Shop** - orders commenced to 45 specialty stores from within a potential distribution network of 1000+.

The following table provides a summary of accounts which have been secured to date. The Yowie product is being rolled out/trialed in 5,089 stores with potential to rollout to 30,459 stores.

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YOWIE US RETAIL ACCOUNT SUMMARY

Retail Channel	# Groups per Channel	# Stores Product Ranged	Total # Available Stores
Mass Merchandiser	1	1505	4300
Drug	2	110	10000+ Mainland US
Fuel & Convenience	4	572	6500+
Grocery	6	1721	4998
General Retail	1	288	288
Distributors	6	738	3225
Specialist Candy	4	153	1108+
Leisure & Entertainment	2	2	40
TOTAL	26	5,089	30,459

Building a strong, focused sales and distribution network in the US market and servicing all accounts to the optimum remains the No 1 priority for the Company in the US market.

Operations

During the quarter:

- Yowie North America (YNA) appointed a Walmart experienced retail merchandising supplier. The supplier will service the Walmart national account to ensure a Yowie/Walmart agreed customer service integrity scorecard is maintained. Supplier management of the Walmart customer service process is enabled through real time internet connectivity.
- The Yowie Florida based manufacturing facility is operating at a production rate of 7m units per annum, with a current capacity of 20m units pa. The plant has scope to increase to 40m units at a cost \$600K with a 16 week lead time. The plant has an overall capacity of 100m units

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Corporate

- Completed a placement of 20,000,000 ordinary fully paid shares at \$0.50 per share, raising \$10 million. Funds raised under the placement will be used for working capital, in particular for the continued rollout of the Yowie product in the US.
- 1,238,000 listed options were exercised, raising an additional \$247,600.
- Appointed Foster Stockbroking Pty Ltd and EAS Advisors LLC to provide corporate advisory and equity capital market services in Australia, Asia and North America respectively. Foster Stockbroking and EAS Advisors have successfully developed a strong partnership working with growth focused ASX-listed companies, providing equity capital market services and assisting with the transition of the company's register in readiness for an ultimate listing on the main boards of the US equity market. Foster Stockbroking and EAS will work with Yowie to provide strategic support for Yowie's continued growth in the US.
- Appointed Mr Trevor Allen as a non-executive director. Trevor has over 37 years of corporate and commercial experience, primarily as a corporate and financial adviser to Australian and international corporates.
- Mr Mark Avery stepped down as a non-executive director on 25 March 2015. Mr Avery was a founding director of Yowie in 2012 and played an active role in transforming the Company and assisting in bringing Yowie to market in the US.
- As at 31 March 2015, the Company held cash reserves of \$11.8 million.

Wayne Loxton
Executive Chairman
Yowie Group Ltd

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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

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

YOWIE GROUP LTD

ABN

98 084 370 669

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	723	977
1.2 Payments for (a) staff costs	(120)	(291)
(b) advertising and marketing	(9)	(50)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital ¹	(1,780)	(6,887)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	100
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (royalty and settlement income)	31	109
Net operating cash flows	(1,138)	(6,043)

¹ Includes \$832k purchases of raw materials and manufacturing costs for the quarter and \$2,712k year to date.

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,138)	(6,043)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (product development)	(20)	(35)
(d) physical non-current assets	-	(73)
(e) other non-current assets	(34)	(220)
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	(54)	(328)
1.14 Total operating and investing cash flows	(1,192)	(6,371)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	10,247	10,264
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)	(639)	(639)
Net financing cash flows	9,608	9,625
Net increase / (decrease) in cash held	8,416	3,254
1.21 Cash at beginning of quarter/year to date	3,342	8,246
1.22 Exchange rate adjustments to item 1.21	101	359
1.23 Cash at end of quarter	11,859	11,859

+ 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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	165
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 \$A'000	Amount used \$A'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 \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	4,859	2,342
4.2	Deposits at call	7,000	1,000
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		11,589	3,342

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 April 2015

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.